



## INTEROFFICE MEMORANDUM

**Oscar J. Garcia, CPA**

Auditor-Controller/Treasurer-Tax Collector

**Enedina Garcia**

Deputy Auditor-Controller

**Frank Gomez**

Deputy Treasurer-Tax Collector

**DATE:** December 8, 2022

**TO:** Audit Committee Members

**FROM:** Supervisor Sal Quintero, Audit Committee Chairman

**SUBJECT:** Audit Committee Meeting

This will confirm the next Audit Committee meeting scheduled on **December 8, 2022 at 10:00 a.m.** in the Board of Supervisors Chambers - Room 301 of the Hall of Records. The following is the agenda for the meeting:

### AGENDA

- 1) **Pledge of Allegiance**
- 2) **Approve Agenda**
- 3) **Public Presentations**

This portion of the meeting is reserved for persons desiring to address the Audit Committee briefly on any matter not on this agenda within the Committee's subject matter jurisdiction.
- 4) **Approval of August 12, 2022 Audit Committee Meeting Minutes**
- 5) **Consent Items**
  - a. Approve Quarterly Fraud Report covering July 1, 2022 to September 30, 2022.
- 6) **Discussion and Action Items**
  - a. Review and approve the Department of Social Services Food and Nutrition Services (FNS)-209 Report for the quarter ended June 30, 2022.
  - b. Review and receive Fresno County In-Home Supportive Services Public Authority Independent Auditor's Reports and Financial Statements for the year ended June 30, 2021.
  - c. Review and approve the 2023 Audit Committee Meeting Dates.
- 7) **Staff Updates**

## **8) Adjournment**

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Enclosures

### **Audit Committee Members:**

Supervisor Sal Quintero, Audit Committee Chairman

Daniel C. Cederborg, County Counsel, Audit Committee Vice-Chairman

Supervisor Nathan Magsig

Paul Nerland, County Administrative Officer

Kari Gilbert, Department Heads Council Member

Manuel Vilanova, Public Member

Kulwinder Brar, Public Member

**County of Fresno**  
**Auditor-Controller/Treasurer-Tax Collector**  
**Audit Committee Minutes**  
**Board of Supervisors' Chambers**  
**August 12, 2022 – 10:00 a.m.**

**MEMBERS PRESENT:**

Supervisor Sal Quintero, Audit Committee Chairman  
Daniel C. Cederborg, County Counsel, Audit Committee Vice-Chairman  
Paul Nerland, County Administrative Officer  
Manuel Vilanova, Public Member

**Call to Order:** Chairman Quintero called to order the regular meeting of the Audit Committee (Committee) on August 12, 2022, at 10:05 a.m. in the Board of Supervisors' Chambers.

**1. Pledge of Allegiance**

- Mario Cabrera, Accounting & Financial Division Chief, led all in attendance with the Pledge of Allegiance.

**2. Approve Agenda**

- A motion was made by Paul Nerland, seconded by Vice-Chairman Cederborg, and carried 4-0 to approve the August 12, 2022 agenda.

**3. Public Presentations**

- This portion of the meeting is reserved for persons desiring to address the Committee briefly on any matter not on this agenda within the Committee's subject matter jurisdiction.
- There being none, the Committee proceeded to hear the next item on the agenda.

**4. Approval of May 13, 2022 Audit Committee Meeting Minutes**

- There being no public comments, a motion was made by Manuel Vilanova, seconded by Paul Nerland, and carried 4-0 to approve the May 13, 2022, Audit Committee Meeting Minutes.

**5. Consent Items****a) Approve Quarterly Fraud Report covering April 1, 2022 to June 30, 2022**

- There being no public comments, a motion was made by Vice-Chairman Cederborg, seconded by Manuel Vilanova, and carried 4-0 to approve Agenda item 5a.

**6. Discussion and Action Items****a) Review and approve the Department of Behavioral Health Department Head Transition Report.**

- Mario Cabrera, Accounting and Financial Manager Chief, introduced and presented the item, and Sean Patterson, Department of Behavioral Health Business Manager, commented on this item.
- A discussion took place regarding department head salary, where Paul Nerland inquired about the points of comparison for incoming and outgoing department head salary. Mario Cabrera commented on the item.
- Paul Nerland and Vice-Chairman Cederborg, inquired regarding the assets listed in the findings. Sean Patterson, Business Manager, stated that the findings resulted from trying to become more mobile and have now moved to a sign-in and out system.
- Vice-Chairman Cederborg inquired about Form 700 filers and the conservatorship accounts. Sean Patterson commented on the matter.

- There being no public comments, a motion was made by Vice-Chairman Cederborg, seconded by Manuel Vilanova, and carried 4-0 to approve Agenda Item 6a.

**b). Review and accept the Independence Certification**

- Oscar J. Garcia, Auditor-Controller/Treasurer-Tax Collector, introduced and presented this item.
- There being no public comments, a motion was made by Paul Nerland, Vice-Chairman Cederborg, and carried 4-0 to approve Agenda Item 6b.

**7. Staff Updates**

- There being no updates, Committee proceeded to hear the next item on the agenda.

**8. Adjournment**

- A motion was made by Paul Nerland, seconded by Vice-Chairman Cederborg, and was carried 4-0 to adjourn the meeting at 10:14 a.m.

**Audit Committee Members:**

Supervisor Sal Quintero, Audit Committee Chairman

Daniel C. Cederborg, County Counsel, Audit Committee Vice-Chairman

Supervisor Nathan Magsig

Paul Nerland, County Administrative Officer

Kari Gilbert, Department Heads Council Member

Manuel Vilanova, Public Member

Kulwinder Brar, Public Member



**INTEROFFICE MEMORANDUM**

**Oscar J. Garcia, CPA**

**Auditor-Controller/Treasurer-Tax Collector**

**Enedina Garcia**

Deputy Auditor-Controller

**Frank Gomez**

Deputy Treasurer-Tax Collector

**DATE:** December 8, 2022

**TO:** Audit Committee Members

**FROM:** Oscar J. Garcia, CPA – Auditor-Controller/Treasurer-Tax Collector  
*Oscar J. Garcia*

**SUBJECT:** Fraud Hotline Quarterly Activity Report for the Quarter Ended September 30, 2022

In accordance with the provisions of California Government Code Section 53087.6, the County of Fresno Fraud Hotline serves as a means to discover, investigate, and remediate acts of fraud, waste, or abuse involving County employees, as defined by the statute.

We have completed our quarterly report concerning the operation of the County of Fresno Fraud Hotline. This report is for the three-month period of July 1, 2022 through September 30, 2022.

We would like to acknowledge the professionalism and cooperation extended to us by the management of the various County agencies/departments during our Hotline investigation process. As always, I remain available to answer any questions you may have. Please contact me directly or Karoll Diaz, Accounting & Financial Division Manager at (559) 600-1378 or Jarry Lim, Accountant at (559) 600-1368 if we can be of any assistance.

Attachments



**COUNTY OF FRESNO**

**FRAUD HOTLINE QUARTERLY REPORT**

**Administered by the Auditor-Controller/Treasurer-Tax Collector**

**For the Quarter Ended September 30, 2022**

Director: Oscar J. Garcia, CPA  
Accounting & Financial Manager: Karoll Diaz  
Hotline Staff: Jarry Lim

**COUNTY OF FRESNO**  
**FRAUD HOTLINE QUARTERLY REPORT**  
**Administered by the Auditor-Controller/Treasurer-Tax Collector**  
**For the Quarter Ended September 30, 2022**

Below is the County of Fresno Fraud Hotline activity for the period of July 1, 2022 through September 30, 2022.

1. Statistical Summary

The Financial Reporting and Audits Division received 61 Hotline allegations, complaints, or other contacts during the reporting period. Of these reports, 37 were made anonymously while 24 reports were made by individuals who identified themselves. The Hotline received 33 reports via telephone, 24 by email, 3 by letter and 1 in person. These reports are categorized in Table 1.

Table 1 Statistical Summary	
Actionable Items	19
Referred Items	39
Non-Actionable Items	3
<b>Total Allegations/Complaints</b>	<b>61</b>

2. Types of Allegations/Complaints

Cases opened during the period involved various complaints and allegations such as: 1) improper use of government benefits, 2) fraudulent check alterations, and 3) management improprieties.

**Actionable – County**

Allegations involving individuals employed by the County and/or other related parties (i.e., vendors, contractors, etc.).

**Actionable – Non-County**

Allegations involving individuals and/or other entities with no known relation to the County.

**Referral – County**

Allegations involving issues primarily handled by other County Departments via established fraud-reporting methodologies.

**COUNTY OF FRESNO**  
**FRAUD HOTLINE QUARTERLY REPORT**  
**Administered by the Auditor-Controller/Treasurer-Tax Collector**  
**For the Quarter Ended September 30, 2022**

**Referral – Non-County**

Allegations involving issues beyond the responsibilities of the County of Fresno are referred to appropriate non-County agencies.

**Non-Actionable Items**

These include insufficient information and not applicable issues. Examples include failure to state sufficient facts on which to base any investigation, inquiries regarding the status of other investigations, requests for information, and wrong numbers.

Table 2 identifies the total number of cases opened during this period and detail complaint type.

Table 2 Types of New Allegations/Complaints	
Actionable – County:	2
Employee Improprieties	2
Actionable – Non-County:	17
Forged/Altered Check	17
Referral – County:	22
Welfare Fraud	15
County - Other	7
Referral – Non-County:	17
Various	17
Non-Actionable Items:	3
Not enough information	3
<b>Total</b>	<b>61</b>



**COUNTY OF FRESNO**  
**FRAUD HOTLINE QUARTERLY REPORT**  
**Administered by the Auditor-Controller/Treasurer-Tax Collector**  
**For the Quarter Ended September 30, 2022**

3. Status of Complaints

The complaints processed by the County of Fresno Fraud Hotline include alleged behavior by an employee and/or client (i.e., timecard abuse, misuse of county assets, management improprieties, conflict of interest, and misuse of program funds). As of the end of the reporting period, there was 0 closed investigation by the County of Fresno Fraud Hotline. (See summary below)

<b>Table 3</b>						
<b>Status of Complaints</b>						
<b>Actionable Calls</b>	<b>Investigation</b>			<b>Closed Findings</b>		
	Ongoing	New	Closed	Substantiated	Unsubstantiated	Referral
Management		2				
Employee						
Client						
Unknown						
<b>Total</b>		2				



## County of Fresno

Oscar J. Garcia, CPA

Auditor-Controller/Treasurer-Tax Collector

September 19, 2022

Sanja K. Bugay, Director of Social Services  
 Fresno County Department of Social Services  
 200 W. Pontiac Way  
 Clovis, CA 93612

The Auditor Controller's office has performed the procedures enumerated below solely to assist you in the validation of the Food and Nutrition Services (FNS)-209 Report for the quarter ended June 30, 2022, as mandated by the California Department of Social Services (CDSS). The accuracy of the FNS-209 Report is the responsibility of the Department of Social Services (DSS). This engagement was conducted in accordance with standards established by the Institute of Internal Auditors. The sufficiency of these procedures is solely the responsibility of the Department's management. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

Our procedures (as provided by the CDSS) and findings are as follows:

1. **Procedure:** Run system-generated case level reports supporting the data on lines 3b through 20b of the FNS-209 for the quarter ending June 2022. Ideally, these would be system-generated individual monthly reports (April, May, and June 2022, with combined totals) that show establishment and collection data by type of claim at the individual case level. The data should be broken down by type of claim: Intentional Program Violation (IPV), Inadvertent Household Error (IHE), and State Agency Administrative Error (AE), by client (case number and last name), and by dollar amount, with summary totals for each line item (lines 3b through 20b) for the quarter ending June 2022.

For each line, compare the system-generated report totals to the amounts reported on each line of the June 2022 FNS-209. The comparison should demonstrate a direct data relationship between actual CalFresh case records (the system-generated report) and the data reported on the FNS-209. If the number of claims and dollar amounts agree, the data reported on the FNS-209 can be traced to individual cases. If there are differences between the data from the system-generated report and the data reported on the June 2022 FNS-209, the discrepancies should be researched and corrected/adjusted.

**Supporting Documentation:**

See Attachment A.

**Results:** The performance of this procedure yielded no issues within the three different types of claims: Intentional Program Violation (IPV), Inadvertent Household Error (IHE), and State Agency Administrative Error (AE).

2. **Procedure:** Run a system-generated case level report that will support either the beginning balance (line 3a) or ending balance (line 13) of the June 2022 FNS-209. If necessary, the report may be a combination of system-generated and manual reports. The report would be a complete history of all claims in your system (simply verifying that the current month's FNS-209 beginning balance matches the ending balance reported on the previous month's FNS-209 is not sufficient). The data should be broken down by type of claim (IPV, IHE, and AE), by client (case number and last name), and by dollar amount.

Compare the totals from the system-generated history report as of June 2022 to the corresponding beginning/ending balance reported on the FNS-209 for the quarter ending June 2022. The comparison should demonstrate a direct data relationship between actual CalFresh case records (the system-generated history report) and the data reported on the FNS-209. If the number of claims and dollar amounts agree, the data reported on the FNS-209 can be traced to individual cases. If the comparison shows any differences, (ex: case numbers or amounts from the history report that are not reflected on the June 2022 FNS-209), the discrepancies should be researched and corrected/adjusted.

**Supporting Documentation:**

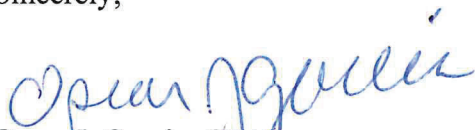
See Attachment B.

**Results:** The performance of this procedure yielded no issues.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion, on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Although it is a matter of public record, this report is intended solely for the information and use of the specified users listed above and is not intended to be, nor should it be used by anyone other than those specified parties.

Sincerely,



Oscar J. Garcia, CPA  
Auditor-Controller/Treasurer-Tax Collector

Comparison Supporting Documentation and SARS FNS 209 Report  
Intentional Program Violation (IPV)  
For the Period of April 2022 - June 2022

Line Items		Supporting Documentation IPV		SARS FNS 209 Report IPV		Difference	
Line	Description	Count	Amount	Count	Amount	Count	Amount
<b>Line 3a</b>	<b>Beginning Balance</b>	<b>675</b>	<b>1,718,988.63</b>	<b>675</b>	<b>1,718,988.63</b>		
Line 3b	Line 3b Total	4	15,036.54	4	15,036.54		
Line 4	Add: NEW CLAIMS		0.00	0	-		
Line 5	Add: TRANSFER	1	4,523.04	1	4,523.04		
Line 6	Less: REFUNDS (20a+20b)		13,674.04		13,674.04		
<b>Line 7</b>	<b>TOTAL (3a+3b+4+5+6)</b>	<b>680</b>	<b>1,752,222.25</b>	<b>680</b>	<b>1,752,222.25</b>		
Line 8	Line 8 Total	20		20			
Line 9	Less: WRITE OFF	6	4,990.70	6	4,990.70		
Line 10	Less: LOMELI		0.00	0	-		
Line 11a	Less: COLLECTION (18a)		85,861.83		85,861.83		
Line 11b	Less: COLLECTION ADJ (18b+18c)						
<b>Line 12</b>	<b>TOTAL (8+9+10+11)</b>	<b>26</b>	<b>90,852.53</b>	<b>26</b>	<b>90,852.53</b>		
<b>Line 13</b>	<b>ENDING BALANCE</b>	<b>654</b>	<b>1,661,369.72</b>	<b>654</b>	<b>1,661,369.72</b>		

**Collection Summary**

Line 14	Line 14 Total		64,347.46		64,347.46		
Line 15	Less: EBT COLLECTION		697.42		697.42		
Line 16	Less: RECOUP		20,816.95		20,816.95		
Line 17	Offset						
<b>Line 18a</b>	<b>TOTAL</b>		<b>85,861.83</b>		<b>85,861.83</b>		
Line 18b	CASH ADJUSTMENT (+/-)						
Line 18c	NON-CASH ADJUSTMENT (+/-)						
Line 19	TRANSFER (+/-)		2,470.96		2,470.96		
Line 20a	CASH REFUNDS		13,674.04		13,674.04		
Line 20b	NON-CASH REFUNDS						
<b>Line 21</b>	<b>TOTAL (18a+b+c+19-20a-20b)</b>		<b>74,658.75</b>		<b>74,658.75</b>		

Comparison Supporting Documentation and SARS FNS 209 Report  
Inadvertent Household Error (IHE)  
For the Period of April 2022 - June 2022

Line Items		Supporting Documentation IHE		SARS FNS 209 Report IHE		Difference	
Line	Description	Count	Amount	Count	Amount	Count	Amount
<b>Line 3a</b>	<b>Beginning Balance</b>	<b>14,416</b>	<b>14,315,658.44</b>	<b>14,416</b>	<b>14,315,658.44</b>		
Line 3b	Line 3b Total	(154)	(266,400.56)	(154)	(266,400.56)		
Line 4	Add: NEW CLAIMS	1,099	495,021.30	1,099	495,021.30		
Line 5	Line 5 Total		(7,604.04)		(7,604.04)		
Line 6	Less: REFUNDS		190,398.72		190,398.72		
<b>Line 7</b>	<b>TOTAL (3a+3b+4+5+6)</b>	<b>15,361</b>	<b>14,727,073.86</b>	<b>15,361</b>	<b>14,727,073.86</b>		
Line 8	Line 8 Total	1,486		1,486			
Line 9	Less: WRITE OFF	429	73,124.69	429	73,124.69		
Line 10	Less: LOMELI	0	0.00				
Line 11a	Less: COLLECTION (18a)		1,220,594.92		1,220,594.92		
Line 11b	Less: COLLECTION ADJ (18b+18c)						
<b>Line 12</b>	<b>TOTAL (8+9+10+11)</b>	<b>1,915</b>	<b>1,293,719.61</b>	<b>1,915</b>	<b>1,293,719.61</b>		
<b>Line 13</b>	<b>ENDING BALANCE</b>	<b>13,446</b>	<b>13,433,354.25</b>	<b>13,446</b>	<b>13,433,354.25</b>		

**Collection Summary**

Line 14	Line 14 Total		778,671.81		778,671.81		
Line 15	Less: EBT COLLECTION		83,624.99		83,624.99		
Line 16	Less: RECOUP		358,298.12		358,298.12		
Line 17	Offset						
<b>Line 18a</b>	<b>TOTAL</b>		<b>1,220,594.92</b>		<b>1,220,594.92</b>		
Line 18b	CASH ADJUSTMENT (+/-)						
Line 18c	NON-CASH ADJUSTMENT (+/-)						
Line 19	TRANSFER (+/-)		(2,520.96)		(2,520.96)		
Line 20a	CASH REFUNDS		187,134.41		187,134.41		
Line 20b	NON-CASH REFUNDS		3,264.31		3,264.31		
<b>Line 21</b>	<b>TOTAL (18a+b+c+19-20a-20b)</b>		<b>1,027,675.24</b>		<b>1,027,675.24</b>		

Comparison Supporting Documentation and SARS FNS 209 Report  
 State Agency Administrative Error (AE)  
 For the Period of April 2022 - June 2022

Line Items		Supporting Documentation AE		SARS FNS 209 Report AE		Difference	
Line	Description	Count	Amount	Count	Amount	Count	Amount
<b>Line 3a</b>	<b>Beginning Balance</b>	<b>14,700</b>	<b>4,531,130.76</b>	<b>14,700</b>	<b>4,531,130.76</b>		
Line 3b	line 3b Total	(475)	(195,530.90)	(475)	(195,530.90)		
Line 4	Add: NEW CLAIMS	3,376	921,743.44	3,376	921,743.44		
Line 5	Line 5 Total	(1)	3,081.00	(1)	3,081.00		
Line 6	Less: REFUNDS		73,148.82		73,148.82		
<b>Line 7</b>	<b>TOTAL (3a+3b+4+5+6)</b>	<b>17,600</b>	<b>5,333,573.12</b>	<b>17,600</b>	<b>5,333,573.12</b>		
Line 8	Line 8 Total	2,653		2,653			
Line 9	Less: WRITE OFF	361	59,941.80	361	59,941.80		
Line 10	Less: LOMELI	19	11,324.73	19	11,324.73		
Line 11a	Less: COLLECTION (18a)		855,950.44		855,950.44		
Line 11b	Less: COLLECTION ADJ (18b+18c)						
<b>Line 12</b>	<b>TOTAL (8+9+10+11)</b>	<b>3,014</b>	<b>927,216.97</b>	<b>3,014</b>	<b>927,216.97</b>		
<b>Line 13</b>	<b>ENDING BALANCE</b>	<b>14,586</b>	<b>4,406,356.15</b>	<b>14,586</b>	<b>4,406,356.15</b>		

**Collection Summary**

Line 14	Line 14 Total		231,064.43		231,064.43		
Line 15	Less: EBT COLLECTION		395,739.22		395,739.22		
Line 16	Less: RECOUP		229,146.79		229,146.79		
Line 17	Offset						
<b>Line 18a</b>	<b>TOTAL</b>		<b>855,950.44</b>		<b>855,950.44</b>		
Line 18b	CASH ADJUSTMENT (+/-)						
Line 18c	NON-CASH ADJUSTMENT (+/-)						
Line 19	TRANSFER (+/-)		50.00		50.00		
Line 20a	CASH REFUNDS		70,402.80		70,402.80		
Line 20b	NON-CASH REFUNDS		2,746.02		2,746.02		
<b>Line 21</b>	<b>TOTAL (18a+b+c+19-20a-20b)</b>		<b>782,851.62</b>		<b>782,851.62</b>		

Comparison Supporting Documentation and SARS FNS 209 Report  
 Beginning Balance Summary  
 For the Period of April 2022 - June 2022

Claims #	IPV (#)	IHE (#)	AE (#)	Total (#)
History Report:	675	14,416	14,700	29,791
June 2022 FNS-209:	675	14,416	14,700	29,791
Difference:	0	0	0	0

Claims Amounts \$	IPV (\$)	IHE (\$)	AE (\$)	Total (\$)
History Report:	1,718,988.63	14,315,658.44	4,531,130.76	20,565,777.83
June 2022 FNS-209:	1,718,988.63	14,315,658.44	4,531,130.76	20,565,777.83
Difference:	0.00	0.00	0.00	0.00

**FRESNO COUNTY IN-HOME SUPPORTIVE  
SERVICES PUBLIC AUTHORITY  
(A Component Unit of the County of Fresno)**

**INDEPENDENT AUDITOR'S REPORTS  
AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
JUNE 30, 2021**



**FRESNO COUNTY IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY**  
**(A Component Unit of the County of Fresno)**  
**JUNE 30, 2021**

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## INDEPENDENT AUDITOR'S REPORT

Board of Supervisors  
Fresno County In-Home Supportive  
Services Public Authority  
Fresno, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Fresno County In-Home Supportive Services Public Authority (the Authority) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Authority as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 15, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2022, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong*  
*Accountancy Corporation*

Bakersfield, California  
October 7, 2022

**FRESNO COUNTY IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY**  
**(A Component Unit of the County of Fresno)**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

**ASSETS**

Current assets	
Grants receivable	\$ 6,683,313
Due from the County of Fresno	<u>172,364</u>
Total assets	<u><u>\$ 6,855,677</u></u>

**LIABILITIES**

Current liabilities	
Due to the County of Fresno	\$ 6,392,255
Salaries and benefits payable	<u>256,255</u>
Total liabilities	<u>6,648,510</u>

**NET POSITION**

Unrestricted	<u>207,167</u>
Total net position	<u>207,167</u>
Total liabilities and net position	<u><u>\$ 6,855,677</u></u>

The notes to financial statements are an integral part of these statements.

**FRESNO COUNTY IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY**  
**(A Component Unit of the County of Fresno)**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**PROGRAM REVENUES**

Operating grants	
Federal	\$ 15,460,032
State	11,150,867
Realignment revenue	40,943,471
County contribution	8,057,484
Other revenue	<u>597,747</u>
 Total program revenues	 <u>76,209,601</u>

**EXPENDITURES**

Health	
Salaries and benefits	75,176,770
Insurance	9,919
Memberships	16,927
Office expenses	5,264
Postage	8,175
Printing	484
Professional and specialized services	886,986
Data processing services	43,022
Rent and leases - building	61,925
Travel and transportation	<u>129</u>
 Total expenditures	 <u>76,209,601</u>

Change in net position	-
Net position as of July 1, 2020	<u>207,167</u>
Net position as of June 30, 2021	<u><u>\$ 207,167</u></u>

The notes to financial statements are an integral part of these statements.

**FRESNO COUNTY IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY**  
**(A Component Unit of the County of Fresno)**  
**BALANCE SHEET**  
**GOVERNMENTAL FUND**  
**JUNE 30, 2021**

**ASSETS**

Grant receivable	\$ 6,683,313
Due from the County of Fresno	<u>172,364</u>
 Total assets	 <u><u>\$ 6,855,677</u></u>

**LIABILITIES AND FUND BALANCE**

<b>Liabilities</b>	
Due to the County of Fresno	\$ 6,392,255
Salaries and benefits payable	<u>256,255</u>
 Total liabilities	 <u>6,648,510</u>
 <b>Fund balance</b>	
Unassigned	<u>207,167</u>
 Total fund balance	 <u>207,167</u>
 Total liabilities and fund balance	 <u><u>\$ 6,855,677</u></u>

The notes to financial statements are an integral part of these statements.

**FRESNO COUNTY IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY**  
**(A Component Unit of the County of Fresno)**  
**RECONCILIATION OF THE BALANCE SHEET TO THE**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

Fund balance - total governmental fund	\$ 207,167
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental fund.	<u>-</u>
Net position of governmental activities	<u>\$ 207,167</u>

The notes to financial statements are an integral part of these statements.

**FRESNO COUNTY IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY**  
**(A Component Unit of the County of Fresno)**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**REVENUE**

Aid from other governmental agencies	
Federal	\$ 15,460,032
State	11,150,867
Realignment revenue	40,943,471
County contribution	8,057,484
Other revenue	<u>597,747</u>
 Total revenue	 <u>76,209,601</u>

**EXPENDITURES**

Health	
Salaries and benefits	75,176,770
Insurance	9,919
Memberships	16,927
Office expenses	5,264
Postage	8,175
Printing	484
Professional and specialized services	886,986
Data processing services	43,022
Rents and leases - building	61,925
Travel and transportation	<u>129</u>
 Total expenditures	 <u>76,209,601</u>

Net change in fund balance	-
 Fund balance as of July 1, 2020	 <u>207,167</u>
 Fund balance as of June 30, 2021	 <u><u>\$ 207,167</u></u>

The notes to financial statements are an integral part of these statements.



**FRESNO COUNTY IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY**  
**(A Component Unit of the County of Fresno)**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

Net change in fund balance - governmental fund	\$ -
Amounts reported for governmental activities in the Statement of Activities are difference because:	
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental fund.	<u>-</u>
Change in net position of governmental activities	<u><u>\$ -</u></u>

The notes to financial statements are an integral part of these statements.

**FRESNO COUNTY IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY**  
**(A Component Unit of the County of Fresno)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 – GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying summary of the more significant accounting policies of the Fresno County (the County) In-Home Supportive Services (IHSS) Public Authority (the Authority) is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented, should be viewed as an integral part of the accompanying financial statements. The accounting policies of the Authority conform in all material respects to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant policies:

**A. Reporting Entity**

The IHSS program is a State-mandated and regulated program that is operated at the county level in accordance with Welfare and Institutions Code Sections 12300 et seq. Welfare and Institutions Code Section 12302.25(a) requires each county to act as, or establish, an employer for IHSS providers for the purpose of collective bargaining for wages and benefits. The Authority was established by the County Ordinance Chapter 2.80 of Title 2 to serve as employer of record for IHSS providers. The County Board of Supervisors (Supervisors) functions as the governing body of the Authority. The Supervisors established an IHSS Advisory Committee whose powers are derived from, and are consistent with, the provisions of Welfare and Institutions Code Sections 12301.4 and 12301.6. The eleven-member Advisory Committee is responsible for informing and giving ongoing advice to the Supervisors on issues related to the IHSS program. For the financial reporting purposes, the Authority is a component unit of the County. There are no other component units included in the accompanying financial statements.

The IHSS program arranges for, and helps pay for, services to enable elderly, blind, or disabled persons to live safely and independently in their own homes. IHSS is considered an alternative to out-of-home care, such as nursing homes or board and care facilities.

**B. Measurement Focus, Basis of Accounting, and Basis of Presentation**

*Government-Wide Financial Statements*

The Authority's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of governmental activities for the Authority. The Authority does not have any business-type activities; therefore, only governmental activities are reported. These basic financial statements are presented on an *economic resources* measurement focus and the accrual basis of accounting. Accordingly, all of the Authority's assets and liabilities, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenditures are recognized in the period in which the liability is incurred.

*Governmental Fund Financial Statements*

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all governmental funds. An accompanying schedule is presented to reconcile and explain the differences in fund balance as presented in these statements to the net position presented in the government-wide financial statements.

**NOTE 1 – GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(Continued)

B. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

*Governmental Fund Financial Statements* (Continued)

All governmental funds are accounted for on a spending or *current financial resources* measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balance presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recorded when received in cash, except that revenues subject to accrual (generally revenues received within 90 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the Authority, are intergovernmental revenues. Expenditures are recorded in the accounting period in which the related fund liability is incurred. Revenues are also recorded when expenditures exceed revenues from grants and realignment in order to bring the government-wide fund balance to zero. This revenue recognition position has been taken because the Authority is within the County General Fund and expenditures that are not covered by grant and realignment revenue are still generally paid out of the County General Fund.

Unearned revenues arise when potential revenues do not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues also arise when the Authority receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods when both revenue recognition criteria are met, or when the Authority has a legal claim to the resources, the unearned revenue is removed from the Balance Sheet and revenue is recognized.

The Reconciliations of the Fund Financial Statements to the Government-Wide Financial Statements are provided to explain the differences created by the integrated approach of Governmental Accounting Standards Board (GASB) Statement No. 34.

C. New Pronouncements

During the fiscal year ended June 30, 2021, the Authority implemented the following GASB standards:

GASB has issued Statement No. 84, *Fiduciary Activities*. The requirements of this statement are effective for periods beginning after December 15, 2019. There was no impact on the basic financial statements due to the implementation of this statement.

GASB has issued Statement No. 98, *The Annual Comprehensive Financial Report*. The requirements of this statement are effective for fiscal years ending after December 15, 2021. There was no impact on the basic financial statements due to the implementation of this statement.

D. Future Pronouncements

Recently released standards by GASB affecting future fiscal years are as follows. The Authority is currently analyzing its accounting practices to determine the potential impact on the financial statements for the following GASB Statements:

GASB has issued Statement No. 87, *Leases*. The requirements of the statement are effective for periods beginning after June 15, 2021. The Authority has not fully judged the effect of the implementation of this statement as of the date of these financial statements.

**NOTE 1 – GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(Continued)

D. Future Pronouncements (Continued)

GASB has issued Statement No. 89 – *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The requirements of this statement are effective for reporting periods beginning after December 15, 2019. The Authority has not fully judged the effect of the implementation of this statement as of the date of these financial statements.

GASB has issued Statement No. 91 – *Conduit Debt Obligations*. The requirements of this statement are effective for reporting periods beginning after December 15, 2021. The Authority has not fully judged the effect of the implementation of this statement as of the date of these financial statements.

GASB has issued Statement No. 92 – *Omnibus 2020*. The requirements of this statement are effective for reporting periods between January 2020 and June 15, 2020, for various GASB topics. The Authority has not fully judged the effect of the implementation of this statement as of the date of these financial statements.

GASB has issued Statement No. 93 – *Replacement of Interbank Offered Rates*. The requirements of this statement, except for paragraphs 11b, 13, and 14, are effective for reporting periods beginning after June 15, 2021. The requirement in paragraph 11b is effective for reporting periods ending after December 31, 2022. The requirements in paragraphs 13 and 14 are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The Authority has not fully judged the effect of the implementation of this statement as of the date of these financial statements.

GASB has issued Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The requirements of this statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The Authority has not fully judged the effect of the implementation of this statement as of the date of these financial statements.

GASB has issued Statement No. 96 – *Subscription-Based Information Technology Arrangements*. The requirements of this statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The Authority has not fully judged the effect of the implementation of this statement as of the date of these financial statements.

GASB has issued Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The requirements of this statement are effective as follows:

- The requirements in (1) paragraph 4 of this statement as it applies to defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and other employee benefit plans and (2) paragraph 5 of this statement are effective immediately.
- The requirements in paragraphs 6–9 of this statement are effective for fiscal years beginning after June 15, 2021.
- All other requirements of this statement are effective for reporting periods beginning after June 15, 2021.

The Authority has not fully judged the effect of the implementation of this statement as of the date of these financial statements.

**NOTE 1 – GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(Continued)

D. Future Pronouncements (Continued)

GASB has issued Statement No. 99, *Omnibus 2022*. The requirements of this statement are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in GAS Statement No. 34, as amended, and terminology updates related to GASB Statement No. 53 and GASB Statement No. 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of GASB Statement No. 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

Earlier application is encouraged and is permitted by topic. The Authority has not fully judged the effect of the implementation of this statement as of the date of these financial statements.

GASB has issued Statement No. 100, *Accounting Changes and Error Corrections—an Amendment of GASB Statement No. 62*. The requirements of this statement are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. The Authority has not fully judged the effect of the implementation of this statement as of the date of these financial statements.

GASB has issued Statement No. 101, *Compensated Absences*. The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. The Authority has not fully judged the effect of the implementation of this statement as of the date of these financial statements.

E. Assets, Liabilities, and Net Position/Fund Balance

1. Personnel Services

The Authority has no employees. Administrative and accounting services are provided by County personnel. Consequently, the Authority has an obligation to the County for compensated absences and retirement plan contributions.

2. Self-Insurance

The Authority is self-insured through the County. All required information is included in the County's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021.

3. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the Authority's management to make estimates and assumptions in determining the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**NOTE 1 – GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(Continued)

E. Assets, Liabilities, and Net Position/Fund Balance

4. Net Position/Fund Balance

Fund Balance

The governmental fund financial statements present fund balance based on classifications that comprise a hierarchy that is based primarily on the extent to which the Authority is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The Authority did not have any nonspendable resources as of June 30, 2021.
- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources that are either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Authority did not have any restricted resources as of June 30, 2021.
- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Supervisors. These amounts cannot be used for any other purpose unless the Board of Supervisors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Authority did not have any committed resources as of June 30, 2021.
- Assigned: This classification includes amounts that are constrained by the Authority's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Supervisors or through the Board of Supervisors delegating this responsibility to the County manager through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The Authority did not have any assigned resources as of June 30, 2021.
- Unassigned: This classification includes amounts that have not been assigned to other funds or restricted, committed, or assigned to a specific purpose within the Authority. The Authority considers all of its resources unassigned as of June 30, 2021.

The Authority would typically use restricted fund balance first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

Net Position

In the government-wide financial statements, net position is reported in three categories as follows:

*Net Investment in Capital Assets* – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition.

*Restricted* – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

**NOTE 1 – GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(Continued)

E. Assets, Liabilities, and Net Position/Fund Balance (Continued)

4. Net Position/Fund Balance (Continued)

Net Position (Continued)

*Unrestricted* – This amount is all net position that does not meet the definition of “net investment in capital assets” or “restricted net position.”

When both restricted and unrestricted net position are available, restricted resources are depleted first before the unrestricted resources are used.

**NOTE 2 – DUE TO THE COUNTY**

The Authority does not maintain its own separate checking account. Accordingly, all financial activities of the Authority are processed through the County cash pool. As of June 30, 2021, the Authority was overdrawn \$6,392,255 from the County cash pool. This overdrawn amount is the natural result of the Authority’s funding being expenditure driven.

**NOTE 3 – GRANTS RECEIVABLE / UNEARNED REVENUE**

Grant revenues are recorded as receivables when they are susceptible to accrual (i.e., when all eligible requirements have been met). The corresponding governmental fund revenues are recorded when they become available, with the differences recorded as unearned revenue. Grants receivable and unearned revenue were \$6,683,313 and \$0, respectively, as of June 30, 2021.

**NOTE 4 – RETIREMENT PLAN INFORMATION**

The Authority is a component unit of the County. For retirement purposes, all Authority administrative employees are considered to be employees of the County. No separate valuations are made for the Authority. All retirement information for the County as a whole is included in the County’s Annual Comprehensive Financial Report.

**NOTE 5 – SUBSEQUENT EVENTS**

In compliance with accounting standards, management has evaluated events that have occurred after year-end to determine if these events are required to be disclosed in the basic financial statements. Management has determined that no events require disclosure in accordance with accounting standards generally accepted in the United States of America. Subsequent events have been evaluated through October 7, 2022, which is the date the financial statements were issued.

**REQUIRED SUPPLEMENTARY INFORMATION**



**FRESNO COUNTY IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY**  
**(A Component Unit of the County of Fresno)**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE – GOVERNMENTAL FUND – BUDGET TO ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
<b>REVENUE</b>				
Aid from other governmental agencies				
Federal	\$ 15,243,343	\$ 15,243,343	\$ 15,460,032	\$ 216,689
State	12,869,227	12,869,227	11,150,867	(1,718,360)
Realignment revenue	42,522,435	42,522,435	40,943,471	(1,578,964)
County contribution	8,161,882	8,161,882	8,057,484	(104,398)
Other revenue	662,227	662,227	597,747	(64,480)
	<u>79,459,114</u>	<u>79,459,114</u>	<u>76,209,601</u>	<u>(3,249,513)</u>
Total revenue				
	<u>79,459,114</u>	<u>79,459,114</u>	<u>76,209,601</u>	<u>(3,249,513)</u>
<b>EXPENDITURES</b>				
Health				
Salaries and benefits	78,150,607	78,150,607	75,176,770	2,973,837
Insurance	9,919	9,919	9,919	-
Maintenance equipment	5,000	5,000	-	5,000
Memberships	18,620	18,620	16,927	1,693
Office expenses	8,992	8,992	5,264	3,728
Postage	22,794	22,794	8,175	14,619
Printing	1,526	1,526	484	1,042
Professional and specialized services	1,108,157	1,108,157	886,986	221,171
Data processing services	60,698	60,698	43,022	17,676
Rents and leases - building	65,027	65,027	61,925	3,102
Operating leases - equipment	4,500	4,500	-	4,500
Travel and transportation	3,154	3,154	129	3,025
Employee appreciation	120	120	-	120
	<u>79,459,114</u>	<u>79,459,114</u>	<u>76,209,601</u>	<u>3,249,513</u>
Total expenditures				
	<u>79,459,114</u>	<u>79,459,114</u>	<u>76,209,601</u>	<u>3,249,513</u>
Net change in fund balance	-	-	-	-
Fund balance as of July 1, 2020	207,167	207,167	207,167	-
Fund balance as of June 30, 2021	<u>\$ 207,167</u>	<u>\$ 207,167</u>	<u>\$ 207,167</u>	<u>\$ -</u>

**FRESNO COUNTY IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY**  
**(A Component Unit of the County of Fresno)**  
**NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**NOTE 1 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

*Budgetary Information*

In accordance with the provisions of Sections 29000 through 29143 of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County of Fresno (the County) prepares and legally adopts a final balanced budget on or before August 30, for each fiscal year. Until the adoption of this final balanced budget, appropriations are based on the budget of the preceding year as allowed per Government Code 29124. The final adopted budget is available for review in the Auditor-Controller/Treasurer-Tax Collector's Office.

An operating balanced budget is adopted for each fiscal year for the Fresno County In-Home Supportive Services Public Authority (the Authority) on the same modified accrual basis of accounting, including encumbrances, to reflect estimated revenues and expenditures. Public hearings are conducted on the proposed budget to review all appropriations and the source of financing. Because the final budget must be balanced, any shortfall in revenue requires an equal reduction in appropriations.

Budgetary control is exercised at the object level, except for capital assets, which are controlled at the sub-object level. All amendments and any expenditure that exceed appropriations must be authorized and approved by the Board of Supervisors. Encumbrances, which are commitments related to executory contracts for goods or services, are recorded for budgetary control purposes in governmental funds. Encumbrance accounting is used to assure effective budgetary control and accountability and to facilitate effective cash planning and control.

Encumbrances outstanding at year-end do not constitute expenditures or liabilities. Unencumbered appropriations lapse at year-end and encumbrances outstanding at the time are reported as reservations of fund balance for subsequent year expenditures. The Authority did not have any outstanding encumbrances at June 30, 2021.

**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**

Board of Supervisors  
Fresno County In-Home Supportive  
Services Public Authority  
Fresno, 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 and the major fund of the Fresno County In-Home Supportive Services Public Authority (the Authority) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated October 7, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority'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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 Authority's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong*  
*Accountancy Corporation*

Bakersfield, California  
October 7, 2022

**FRESNO COUNTY IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY  
(A Component Unit of the County of Fresno)  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2021**

**Current Year Findings and Recommendations**

No findings in the current year.

**Status of Prior Year Findings and Recommendations**

No findings in the prior year.

**Audit Committee Proposed Meeting Dates  
Calendar Year 2023**

The list below contains the proposed dates for approval at the December 8, 2022, Audit Committee meeting. All meetings are scheduled for 10 a.m. in the BOS Chambers, Room 301 in the Hall of Records.

Friday, January 27, 2023

Friday, May 12, 2023

Friday, August 11, 2023

Friday, December 8, 2023