



## County of Fresno

**Oscar J. Garcia, CPA**

Auditor-Controller/Treasurer-Tax Collector

July 25, 2024

Sanja Bugay, Director  
Department of Social Services  
205 W. Pontiac Way  
Clovis, CA 93612

Dear Ms. Bugay,

We have completed a cash receipts compliance audit of the Department of Social Services (Department). The purpose of the cash receipts compliance audit, which is limited in scope, is to determine whether adequate internal controls over cash receipts are in place and functioning properly to ensure cash collections are safeguarded, deposited in a timely manner, and accurately recorded in the Department's financial records. Additionally, the cash receipts compliance audit determines the Department's compliance with established internal controls, policies, and procedures.

We have identified two findings and have made the corresponding recommendations. The findings and recommendations can be found on page six and seven of this report.

We would like to express our appreciation to the Department's staff for their assistance and cooperation during this audit. If you have any questions, please contact Rochelle Garcia, Accounting & Financial Division Chief at (559) 600-1351.

Sincerely,

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

**Department of Social Services  
Cash Receipts Compliance Audit  
For Fiscal Year 2023  
(July 1, 2022, through June 30, 2023)  
County of Fresno, CA**

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# Audit Report

## Introduction

The Financial Reporting & Audits division of the Auditor-Controller/Treasurer-Tax Collector (ACTTC) conducted a cash receipts compliance audit of the Department of Social Services (Department) for dates in fiscal year 2023. The ACTTC elected to perform this audit based on the Departmental Risk Assessment performed yearly as part of the County of Fresno Internal Audit Plan.

## Background

The Department consists of more than 2,600 employees, that serve over 1 million residents in the County of Fresno. Department staff work to administer a vast range of programs to residents within the County of Fresno that promote health, safety, and self-sufficiency.

The Department's workforce includes a wide variety of job titles. Eligibility Workers initiate the application of social service programs by determining client eligibility and benefit levels for various types of assistance. Social Workers provide services directly to clients by implementing case plans that address social service needs. Job Specialists assist clients in overcoming barriers affecting employment readiness and self-sufficiency. In addition, a large portion of the Department's staff perform fiscal and administrative functions under job titles including but not limited to: Office Assistants, Analysts (Staff, Business Systems, Financial, and Information Technology), Account Clerks, and Accountants.

## Objectives, Scope, and Methodology

The main objective of this audit was to determine whether adequate internal controls over cash receipts are in place and functioning properly to ensure that cash collections are safeguarded, deposited in a timely manner, and accurately recorded in the department's financial records.

To accomplish our audit objectives, we performed the following audit procedures:

- Obtained a copy of the most recent Policies and Procedures from the Department.
- Assessed whether the internal controls were adequate through the review of the accompanying documentation for the selected samples.



- Conducted interviews with Department staff.
- Selected samples, with the exclusion of fee generative transactions, and performed test of controls and details.
- Reviewed transactions for the existence of appropriate supporting documentation, proper information in receiving logs, accurate reconciliations, and compliance with deposit timeliness guidelines from the Cash Manual.

## **Conclusion**

We conducted this audit in accordance with the standards promulgated by the Institute of Internal Auditors. Those standards require that auditors identify sufficient, reliable, relevant, and useful information to achieve the audit objectives. We believe that the information obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The audit identified two findings. First, inadequate internal controls in the Department's cash receipts process, and second, insufficient supporting documentation. The recommendations and detail of the findings can be found in the Findings and Recommendations section of this report.

This report is intended solely for the information and use of the County of Fresno Audit Committee and management of the Department and should not be used for any other purpose. However, this report is a matter of public records, and its distribution is not limited.

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

## Findings and Recommendations

### **Finding 1- Lack of effective internal controls**

#### Criteria

As outlined in the Department's Remittance Advice Detail Log Procedures, the logging of a check and the subsequent deposit are handled by separate staff members to ensure checks and balances are in place. Additionally, it is required that the note section of the log contains information about the individual who submitted the check for logging.

#### Condition

We conducted a random sampling of 60 transactions, 15 of which were part of the Remittance Advice Detail Log. Our examination revealed those 15 transactions lacked reference to the staff member or unit responsible for submitting the check for logging.

#### Cause of Condition

There appears to be a lapse in following the procedures and a lack of oversight in ensuring its compliance.

#### Effect of Condition

Consequently, the 15 transactions were found to be non-compliant with the established Remittance Advice Detail Log Procedures and as a result segregation of duties could not be verified.

#### Recommendation

We recommend the Department revise their existing departmental policies and procedures to enhance clarity regarding the individuals and units responsible by providing their name and unit in the Remittance Advice Detail Log Procedures for checks and balances purposes. By implementing these recommendations, the Department can strengthen its internal controls and better ensure compliance with established policies and procedures, ultimately promoting accountability and integrity in financial transactions.

**Finding 2-  
Inadequate  
Supporting  
Documentation**

Criteria

Cash Manual, section 2.2, outlines the standards for the timely deposit of cumulative receipts. For instance, cumulative receipts ranging from \$5,000 to \$99,000 must be deposited by the next day at the latest. Receipts totaling \$100,000 or more must be deposited on the same day.

Condition

Out of a sample of 42 transactions selected for testing, 15 transactions lacked adequate supporting documentation, preventing evaluation of their adherence to appropriate deposit timeliness. The department was unable to provide supplementary evidence to demonstrate compliance with timeliness requirements.

Cause of Condition

The Remittance Advice Detail Log lacked the necessary information, including the date when checks were received, which were essential for the testing of deposit timeliness. The Department did not have another method of verifying the deposit timeliness, without knowledge of when the check was received.

Effect of Condition

As a result, the 15 transactions could not be examined for adherence to appropriate deposit timeliness in accordance with the Cash Manual.

Recommendation

To ensure transactions adhere to appropriate timeliness, we recommend the Department implement a standardized procedure for documenting all necessary information in the receiving logs, including the date revenue is received and the date it is deposited.



**Department of Social Services**

Sanja Bugay, Director

DATE: 08/28/2024

TO: Oscar Garcia, CPA  
Auditor-Controller/Treasurer-Tax Collector

FROM: Sanja Bugay, Director of Social Services

Subject: Department of Social Services Cash Receipts Compliance Findings Responses

Please find the Department of Social Services (DSS) responses to the Cash Receipts Compliance Audit and recommendations by the Auditor-Controller/Treasurer Tax Collector Office.

**Finding 1 – Inadequate Internal Controls**

The Department agrees with the recommendations set forth in the DSS Cash Receipts Report. As Finding 1 reflected that for 15 out of the 60 samples pulled did not reference the name of the staff delivering a check for deposit, DSS has updated their Remittance Advice Detail Log Procedure to provide clarity regarding individuals and units responsibilities to enhance check and balances. Additionally, missing attributes which include the individual's name who submitted the check for deposit and individual's name depositing checks have been added to the Remittance Advice Detail Log to strengthen accountability. Training has been provided to staff impacted by recommendation to ensure compliance and will be provided to future staff.

**Finding 2 - Insufficient Supporting Documentation**

The Department disagrees with the finding in the DSS Cash Receipts Report that the Department was unable to provide supplementary evidence to demonstrate compliance with timeliness requirements. The Department has procedures in place to address timeliness of when checks are received in the Remittance Advice Detail Log. The Department's Remittance Advice Detail Log has "Date Logged" as the date the check was received. The Department acknowledges that the Remittance Advice Detail Log will be updated to use standardized wording "Date Received".

The Department of Social Services would like to thank the Auditor Controller's Office and their staff for the time and resources they have allocated to the audit.

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## County of Fresno

**Oscar J. Garcia, CPA**

Auditor-Controller/Treasurer-Tax Collector

September 20, 2024

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, 2024, 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 2024. Ideally, these would be system-generated individual monthly reports (April, May, and June 2024, 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 2024.

For each line, compare the system-generated report totals to the amounts reported on each line of the June 2024 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 2024 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 2024 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 2024 to the corresponding beginning/ending balance reported on the FNS-209 for the quarter ending June 2024. 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 2024 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 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 2024 - June 2024

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>128</b>	<b>317,034.38</b>	<b>128</b>	<b>317,034.38</b>		
Line 3b	Line 3b Total	2	(3,676.81)	2	(3,676.81)		
Line 4	Add: NEW CLAIMS			0	-		
Line 5	Add: TRANSFER	15	27,207.08	15	27,207.08		
Line 6	Less: REFUNDS (20a+20b)						
<b>Line 7</b>	<b>TOTAL (3a+3b+4+5+6)</b>	<b>145</b>	<b>340,564.65</b>	<b>145</b>	<b>340,564.65</b>		
Line 8	Line 8 Total	4		4			
Line 9	Less: WRITE OFF	4	1,159.26	4	1,159.26		
Line 10	Less: LOMELI			0	-		
Line 11a	Less: COLLECTION (18a)		20,390.25		20,390.25		
Line 11b	Less: COLLECTION ADJ (18b+18c)						
<b>Line 12</b>	<b>TOTAL (8+9+10+11)</b>	<b>8</b>	<b>21,549.51</b>	<b>8</b>	<b>21,549.51</b>		
<b>Line 13</b>	<b>ENDING BALANCE</b>	<b>137</b>	<b>319,015.14</b>	<b>137</b>	<b>319,015.14</b>		

**Collection Summary**

Line 14	Line 14 Total		7,950.25		7,950.25		
Line 15	Less: EBT COLLECTION		339.00		339.00		
Line 16	Less: RECOUP		12,057.00		12,057.00		
Line 17	Offset		44.00		44.00		
<b>Line 18a</b>	<b>TOTAL</b>		<b>20,390.25</b>		<b>20,390.25</b>		
Line 18b	CASH ADJUSTMENT (+/-)						
Line 18c	NON-CASH ADJUSTMENT (+/-)						
Line 19	TRANSFER (+/-)		3,384.92		3,384.92		
Line 20a	CASH REFUNDS						
Line 20b	NON-CASH REFUNDS						
<b>Line 21</b>	<b>TOTAL (18a+b+c+19-20a-20b)</b>		<b>23,775.17</b>		<b>23,775.17</b>		

Comparison Supporting Documentation and SARS FNS 209 Report  
Inadvertent Household Error (IHE)  
For the Period of April 2024 - June 2024

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>11,749</b>	<b>13,227,549.55</b>	<b>11,749</b>	<b>13,227,549.55</b>		
Line 3b	Line 3b Total	13	(13,631.37)	13	(13,631.37)		
Line 4	Add: NEW CLAIMS	516	302,108.00	516	302,108.00		
Line 5	Line 5 Total	(15)	(27,207.08)	(15)	(27,207.08)		
Line 6	Less: REFUNDS		100.00		100.00		
<b>Line 7</b>	<b>TOTAL (3a+3b+4+5+6)</b>	<b>12,263</b>	<b>13,488,919.10</b>	<b>12,263</b>	<b>13,488,919.10</b>		
Line 8	Line 8 Total	647		647			
Line 9	Less: WRITE OFF	27	20,114.74	27	20,114.74		
Line 10	Less: LOMELI		5,997.00		5,997.00		
Line 11a	Less: COLLECTION (18a)		367,522.67		367,522.67		
Line 11b	Less: COLLECTION ADJ (18b+18c)		3,014.00		3,014.00		
<b>Line 12</b>	<b>TOTAL (8+9+10+11)</b>	<b>674</b>	<b>396,648.41</b>	<b>674</b>	<b>396,648.41</b>		
<b>Line 13</b>	<b>ENDING BALANCE</b>	<b>11,589</b>	<b>13,092,270.69</b>	<b>11,589</b>	<b>13,092,270.69</b>		<b>0.00</b>

**Collection Summary**

Line 14	Line 14 Total		73,631.90		73,631.90		
Line 15	Less: EBT COLLECTION		23,835.77		23,835.77		
Line 16	Less: RECOUP		253,797.00		253,797.00		
Line 17	Offset		16,258.00		16,258.00		
<b>Line 18a</b>	<b>TOTAL</b>		<b>367,522.67</b>		<b>367,522.67</b>		
Line 18b	CASH ADJUSTMENT (+/-)						
Line 18c	NON-CASH ADJUSTMENT (+/-)		3,014.00		3,014.00		
Line 19	TRANSFER (+/-)		(3,384.92)		(3,384.92)		
Line 20a	CASH REFUNDS						
Line 20b	NON-CASH REFUNDS		100.00		100.00		
<b>Line 21</b>	<b>TOTAL (18a+b+c+19-20a-20b)</b>		<b>367,051.75</b>		<b>367,051.75</b>		



Comparison Supporting Documentation and SARS FNS 209 Report  
State Agency Administrative Error (AE)  
For the Period of April 2024 - June 2024

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>11,992</b>	<b>3,558,854.00</b>	<b>11,992.00</b>	<b>3,558,854.00</b>		
Line 3b	line 3b Total	42	(14,750.58)	42	(14,750.58)		
Line 4	Add: NEW CLAIMS	1,113	416,827.23	1,113	416,827.23		
Line 5	Line 5 Total						
Line 6	Less: REFUNDS						
<b>Line 7</b>	<b>TOTAL (3a+3b+4+5+6)</b>	<b>13,147</b>	<b>3,960,930.65</b>	<b>13,147</b>	<b>3,960,930.65</b>		
Line 8	Line 8 Total	1,328		1,328			
Line 9	Less: WRITE OFF	171	14,132.75	171	14,132.75		
Line 10	Less: LOMELI		60,621.02		60,621.02		
Line 11a	Less: COLLECTION (18a)		300,435.54		300,435.54		
Line 11b	Less: COLLECTION ADJ (18b+18c)		329.00		329.00		
<b>Line 12</b>	<b>TOTAL (8+9+10+11)</b>	<b>1,499</b>	<b>375,518.31</b>	<b>1,499</b>	<b>375,518.31</b>		
<b>Line 13</b>	<b>ENDING BALANCE</b>	<b>11,648</b>	<b>3,585,412.34</b>	<b>11,648</b>	<b>3,585,412.34</b>		

**Collection Summary**

Line 14	Line 14 Total		16,271.47		16,271.47		
Line 15	Less: EBT COLLECTION		25,172.07		25,172.07		
Line 16	Less: RECOUP		258,992.00		258,992.00		
Line 17	Offset						
<b>Line 18a</b>	<b>TOTAL</b>		<b>300,435.54</b>		<b>300,435.54</b>		
Line 18b	CASH ADJUSTMENT (+/-)						
Line 18c	NON-CASH ADJUSTMENT (+/-)		329.00		329.00		
Line 19	TRANSFER (+/-)						
Line 20a	CASH REFUNDS						
Line 20b	NON-CASH REFUNDS						
<b>Line 21</b>	<b>TOTAL (18a+b+c+19-20a-20b)</b>		<b>300,764.54</b>		<b>300,764.54</b>		

Comparison Supporting Documentation and SARS FNS 209 Report  
Beginning Balance Summary  
For the Period of April 2024 - June 2024

Claims #	IPV (#)	IHE (#)	AE (#)	Total (#)
History Report:	128	11,749.00	11,992.00	23,869.00
June 2024 FNS-209:	128	11,749.00	11,992.00	23,869.00
Difference:	0	0	0	0

Claims Amounts \$	IPV (\$)	IHE (\$)	AE (\$)	Total (\$)
History Report:	317,034.38	13,227,549.55	3,558,854.00	17,103,437.93
June 2024 FNS-209:	317,034.38	13,227,549.55	3,558,854.00	17,103,437.93
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, 2022**

**FRESNO COUNTY IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY**  
**(A Component Unit of the County of Fresno)**  
**JUNE 30, 2022**

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements

#### **Opinions**

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, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

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, 2022, 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.

#### **Basis for Opinions**

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the 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 audit opinions.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, 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 amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board 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 September 3, 2024, 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  
September 3, 2024

**FRESNO COUNTY IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY**  
**(A Component Unit of the County of Fresno)**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

**ASSETS**

Current assets	
Grants receivable	\$ 7,149,587
Due from the County of Fresno	<u>172,364</u>
Total assets	<u><u>\$ 7,321,951</u></u>

**LIABILITIES**

Current liabilities	
Due to the County of Fresno	\$ 6,761,833
Salaries and benefits payable	<u>258,393</u>
Total liabilities	<u>7,020,226</u>

**NET POSITION**

Unrestricted	<u>301,725</u>
Total net position	<u>301,725</u>
Total liabilities and net position	<u><u>\$ 7,321,951</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, 2022**

**PROGRAM REVENUES**

Operating grants	
Federal	\$ 16,788,513
State	11,377,860
Realignment revenue	42,167,796
County contribution	8,057,638
Other revenue	496,987
	<hr/>
Total program revenues	78,888,794
	<hr/>

**EXPENDITURES**

Health	
Salaries and benefits	77,728,537
Insurance	17,368
Memberships	14,000
Office expenses	10,870
Postage	7,899
Printing	512
Professional and specialized services	908,863
Data processing services	44,190
Rent and leases - building	61,877
Travel and transportation	120
	<hr/>
Total expenditures	78,794,236
	<hr/>
Change in net position	94,558
Net position as of July 1, 2021	207,167
	<hr/>
Net position as of June 30, 2022	\$ 301,725
	<hr/> <hr/>

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, 2022**

**ASSETS**

Grant receivable	\$ 7,149,587
Due from the County of Fresno	<u>172,364</u>
Total assets	<u><u>\$ 7,321,951</u></u>

**LIABILITIES AND FUND BALANCE**

Liabilities	
Due to the County of Fresno	\$ 6,761,833
Salaries and benefits payable	<u>258,393</u>
Total liabilities	<u>7,020,226</u>
Fund balance	
Unassigned	<u>301,725</u>
Total fund balance	<u>301,725</u>
Total liabilities and fund balance	<u><u>\$ 7,321,951</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, 2022**

Fund balance - total governmental fund	\$ 301,725
--	------------

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.

-

Net position of governmental activities	<u><u>\$ 301,725</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 REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**REVENUE**

Aid from other governmental agencies	
Federal	\$ 16,788,513
State	11,377,860
Realignment revenue	42,167,796
County contribution	8,057,638
Other revenue	496,987
	<hr/>
Total revenue	78,888,794
	<hr/>

**EXPENDITURES**

Health	
Salaries and benefits	77,728,537
Insurance	17,368
Memberships	14,000
Office expenses	10,870
Postage	7,899
Printing	512
Professional and specialized services	908,863
Data processing services	44,190
Rents and leases - building	61,877
Travel and transportation	120
	<hr/>
Total expenditures	78,794,236
	<hr/>

Net change in fund balance	94,558
Fund balance as of July 1, 2021	207,167
	<hr/>
Fund balance as of June 30, 2022	\$ 301,725
	<hr/> <hr/>

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, 2022**

Net change in fund balance - governmental fund	\$ 94,558
--	-----------

Amounts reported for governmental activities in the Statement of Activities are different because:

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental fund.

-

Change in net position of governmental activities

\$ 94,558

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, 2022**

**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 nine-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, 2022, the Authority implemented the following GASB standards:

GASB Statement No. 87, *Leases*. The requirements of the statement are effective for periods beginning after June 15, 2021. There was no impact on the basic financial statements due to the implementation of this statement.

GASB 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, 2020. There was no impact on the basic financial statements due to the implementation of this statement.

GASB Statement No. 92 – *Omnibus 2020*. The requirements of this statement are effective for reporting periods beginning after June 15, 2021. GASB Statement No. 92 – *Omnibus 2020*. The requirements of this statement are effective for reporting periods beginning after June 15, 2021. There was no impact on the basic financial statements due to the implementation of this statement.

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

C. New Pronouncements (Continued)

GASB 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, 2020. The requirement in paragraph 11b is effective for reporting periods ending after December 31, 2021. The requirements in paragraphs 13 and 14 are effective for fiscal years periods beginning after June 15, 2021, and all reporting periods thereafter. There was no impact on the basic financial statements due to the implementation of this statement.

GASB Statement No. 97 – *Certain Component Units Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment to GASB Statements No. 14 and No. 84 and a Supersession of GASB Statement No. 32*. The requirements in (1) paragraph 4 of this statement as it applies to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans and (2) paragraph 5 of this statement are effective immediately. All other requirements of this statement are effective for reporting periods beginning after June 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 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 Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability (PPPs) Payment Arrangements*. The requirements of this statement are effective for reporting periods beginning after June 15, 2022. The Authority has not fully judged the effect of the implementation of this statement as of the date of these financial statements.

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

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

- The requirements related to extension of the use of London Interbank Offered Rate (LIBOR), accounting for Supplemental Nutrition Assistance Program (SNAP) distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in GASB 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.

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

The GASB has issued Statement No. 102 – *Certain Risk Disclosures*. The requirements of this statement are effective for fiscal years beginning after June 15, 2024, 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.

The GASB has issued Statement No. 103 – *Financial Reporting Model Improvements*. The requirements of this statement are effective for fiscal years beginning after June 15, 2025, 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.

**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, 2022.

**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.

**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:

**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)

Fund Balance (Continued)

- 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, 2022.
- 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, 2022.
- 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, 2022.
- 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, 2022.
- 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, 2022.

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.

*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, 2022, the Authority was overdrawn \$6,761,833 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 \$7,149,587 and \$0, respectively, as of June 30, 2022.

## **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 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

The Authority incurred expenditures in excess of appropriations in the following amounts for the fiscal year ended June 30, 2022:

Office expenses	\$	5,594
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## **NOTE 6 – 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 September 3, 2024, 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, 2022**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
<b>REVENUE</b>				
Aid from other governmental agencies				
Federal	\$ 15,907,982	\$ 15,907,982	\$ 16,788,513	\$ 880,531
State	14,088,771	14,088,771	11,377,860	(2,710,911)
Realignment revenue	42,198,495	42,198,495	42,167,796	(30,699)
County contribution	8,161,882	8,161,882	8,057,638	(104,244)
Other revenue	602,025	602,025	496,987	(105,038)
	<u>80,959,155</u>	<u>80,959,155</u>	<u>78,888,794</u>	<u>(2,070,361)</u>
Total revenue				
	<u>80,959,155</u>	<u>80,959,155</u>	<u>78,888,794</u>	<u>(2,070,361)</u>
<b>EXPENDITURES</b>				
Health				
Salaries and benefits	79,666,425	79,666,425	77,728,537	1,937,888
Insurance	17,368	17,368	17,368	-
Memberships	16,200	16,200	14,000	2,200
Office expenses	5,276	5,276	10,870	(5,594)
Postage	9,327	9,327	7,899	1,428
Printing	1,526	1,526	512	1,014
Professional and specialized services	1,117,290	1,117,290	908,863	208,427
Data processing services	54,579	54,579	44,190	10,389
Rents and leases - building	67,890	67,890	61,877	6,013
Travel and transportation	3,154	3,154	120	3,034
Employee appreciation	120	120	-	120
	<u>80,959,155</u>	<u>80,959,155</u>	<u>78,794,236</u>	<u>2,164,919</u>
Total expenditures				
	<u>80,959,155</u>	<u>80,959,155</u>	<u>78,794,236</u>	<u>2,164,919</u>
Net change in fund balance	-	-	94,558	94,558
Fund balance as of July 1, 2021	207,167	207,167	207,167	-
Fund balance as of June 30, 2022	<u>\$ 207,167</u>	<u>\$ 207,167</u>	<u>\$ 301,725</u>	<u>\$ 94,558</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, 2022**

**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, 2022.

**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, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 3, 2024.

**Report on 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 considered to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

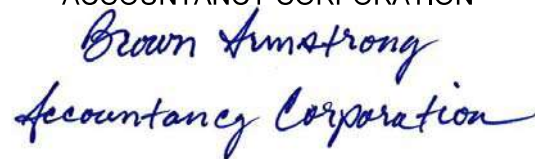
## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive, flowing style.

Bakersfield, California  
September 3, 2024



**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, 2022**

**Current Year Findings and Recommendations**

No findings in the current year.

**Status of Prior Year Findings and Recommendations**

No findings in the prior year.

**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, 2023**

**FRESNO COUNTY IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY**  
**(A Component Unit of the County of Fresno)**  
**JUNE 30, 2023**

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements

#### **Opinions**

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, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

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, 2023, 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.

#### **Basis for Opinions**

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the 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 audit opinions.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, 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 amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## ***Other Matters***

### ***Required Supplementary Information***

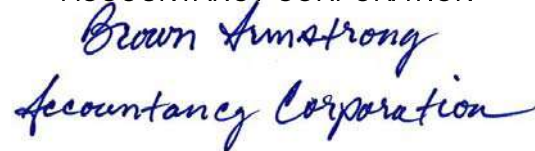
Accounting principles generally accepted in the United States of America require that the budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board 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 September 3, 2024, 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

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive, flowing style.

Bakersfield, California  
September 3, 2024

**FRESNO COUNTY IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY**  
**(A Component Unit of the County of Fresno)**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

**ASSETS**

Current assets	
Grants receivable	\$ 15,611,962
Due from the County of Fresno	<u>172,364</u>
Total assets	<u><u>\$ 15,784,326</u></u>

**LIABILITIES**

Current liabilities	
Due to the County of Fresno	\$ 15,128,583
Salaries and benefits payable	<u>263,526</u>
Total liabilities	<u>15,392,109</u>

**NET POSITION**

Unrestricted	<u>392,217</u>
Total net position	<u>392,217</u>
Total liabilities and net position	<u><u>\$ 15,784,326</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, 2023**

**PROGRAM REVENUES**

Operating grants	
Federal	\$ 18,116,540
State	12,386,550
Realignment revenue	43,627,361
County contribution	8,710,881
Other revenue	<u>416,016</u>
 Total program revenues	 <u>83,257,348</u>

**EXPENDITURES**

Health	
Salaries and benefits	82,219,964
Insurance	16,265
Memberships	14,000
Office expenses	19,845
Postage	8,397
Printing	785
Professional and specialized services	778,222
Data processing services	43,784
Rent and leases - building	65,252
Travel and transportation	<u>342</u>
 Total expenditures	 <u>83,166,856</u>
 Change in net position	 90,492
 Net position as of July 1, 2022	 <u>301,725</u>
 Net position as of June 30, 2023	 <u><u>\$ 392,217</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, 2023**

**ASSETS**

Grant receivable	\$ 15,611,962
Due from the County of Fresno	<u>172,364</u>
Total assets	<u><u>\$ 15,784,326</u></u>

**LIABILITIES AND FUND BALANCE**

Liabilities	
Due to the County of Fresno	\$ 15,128,583
Salaries and benefits payable	<u>263,526</u>
Total liabilities	<u>15,392,109</u>
Fund balance	
Unassigned	<u>392,217</u>
Total fund balance	<u>392,217</u>
Total liabilities and fund balance	<u><u>\$ 15,784,326</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, 2023**

Fund balance - total governmental fund	\$ 392,217
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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.

-

Net position of governmental activities	<u><u>\$ 392,217</u></u>
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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, 2023**

**REVENUE**

Aid from other governmental agencies	
Federal	\$ 18,116,540
State	12,386,550
Realignment revenue	43,627,361
County contribution	8,710,881
Other revenue	<u>416,016</u>
 Total revenue	 <u>83,257,348</u>

**EXPENDITURES**

Health	
Salaries and benefits	82,219,964
Insurance	16,265
Memberships	14,000
Office expenses	19,845
Postage	8,397
Printing	785
Professional and specialized services	778,222
Data processing services	43,784
Rents and leases - building	65,252
Travel and transportation	222
Employee appreciation	<u>120</u>
 Total expenditures	 <u>83,166,856</u>
 Net change in fund balance	 90,492
 Fund balance as of July 1, 2022	 <u>301,725</u>
 Fund balance as of June 30, 2023	 <u><u>\$ 392,217</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, 2023**

Net change in fund balance - governmental fund	\$ 90,492
Amounts reported for governmental activities in the Statement of Activities are different 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>\$ 90,492</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, 2023**

**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 nine-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, 2023, the Authority implemented the following GASB standards:

The GASB has issued Statement No. 91 – *Conduit Debt Obligations*. The requirements of this statement are effective for reporting periods beginning after December 15, 2021. There was no impact on the basic financial statements due to the implementation of this statement.

GASB Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements (PPPs)*. The requirements of this statement are effective for reporting periods beginning after June 15, 2022. There was no impact on the basic financial statements due to the implementation of this statement.

GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements (SBITAs)*. The requirements of this statement are effective for reporting periods beginning after June 15, 2022. There was no impact on the basic financial statements due to the implementation of this statement.

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

C. New Pronouncements (Continued)

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

- The requirements related to extension of the use of London Interbank Offered Rate (LIBOR), accounting for Supplemental Nutrition Assistance Program (SNAP) distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in GASB 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.

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. 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.

The GASB has issued Statement No. 102 – *Certain Risk Disclosures*. The requirements of this statement are effective for fiscal years beginning after June 15, 2024, 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.

The GASB has issued Statement No. 103 – *Financial Reporting Model Improvements*. The requirements of this statement are effective for fiscal years beginning after June 15, 2025, 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.

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.

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

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

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, 2023.

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.

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, 2023.
- 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, 2023.
- 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, 2023.
- 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, 2023.
- 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, 2023.



**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)

Fund Balance (Continued)

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.

*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, 2023, the Authority was overdrawn \$15,128,583 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 \$15,611,962 and \$0, respectively, as of June 30, 2023.

**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 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

The Authority incurred expenditures in excess of appropriations in the following amounts for the fiscal year ended June 30, 2023:

Office expenses	\$	14,000
Printing		279
Rents and leases - building		2,456

**NOTE 6 – 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 September 3, 2024, 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, 2023**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
<b>REVENUE</b>				
Aid from other governmental agencies				
Federal	\$ 16,345,343	\$ 16,345,343	\$ 18,116,540	\$ 1,771,197
State	14,483,439	14,483,439	12,386,550	(2,096,889)
Realignment revenue	43,634,023	43,634,023	43,627,361	(6,662)
County contribution	8,710,882	8,710,882	8,710,881	(1)
Other revenue	557,922	557,922	416,016	(141,906)
Total revenue	83,731,609	83,731,609	83,257,348	(474,261)
<b>EXPENDITURES</b>				
Health				
Salaries and benefits	82,336,255	82,336,255	82,219,964	116,291
Insurance	16,265	16,265	16,265	-
Memberships	14,000	14,000	14,000	-
Office expenses	5,845	5,845	19,845	(14,000)
Postage	9,739	9,739	8,397	1,342
Printing	506	506	785	(279)
Professional and specialized services	1,081,218	1,081,218	778,222	302,996
Data processing services	46,013	46,013	43,784	2,229
Rents and leases - building	62,796	62,796	65,252	(2,456)
Travel and transportation	1,400	1,400	222	1,178
Employee appreciation	120	120	120	-
Total expenditures	83,574,157	83,574,157	83,166,856	407,301
Net change in fund balance	157,452	157,452	90,492	(66,960)
Fund balance as of July 1, 2022	301,725	301,725	301,725	-
Fund balance as of June 30, 2023	\$ 459,177	\$ 459,177	\$ 392,217	\$ (66,960)

**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, 2023**

**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, 2023.

**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, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 3, 2024.

**Report on 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 considered to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

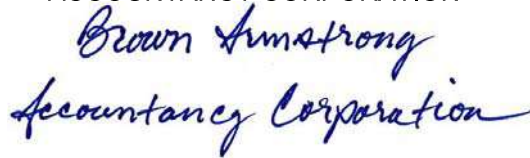
## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive, flowing style.

Bakersfield, California  
September 3, 2024

**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, 2023**

**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 2025**

The list below contains the proposed dates for approval at the December 10, 2024, Audit Committee meeting. All meetings are scheduled for 10 a.m. in the BOS Chambers, Room 301 in the Hall of Records.

Friday, January 10, 2025

Friday, April 11, 2025

Friday, July 11, 2025

Friday, October 10, 2025