



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Board of Supervisors  
County of Yolo, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of County of Yolo, California (the "County"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 31, 2025.

### Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2024-001 that we consider to be a material weakness.

### Report on Compliance and Other Matters

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



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### **County's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the County's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **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 County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*LSL, LLP*

Sacramento, California  
March 31, 2025



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## SCHEDULE OF FINDINGS AND RESPONSES

### **Reference Number**

2024-001 – Restatement of Net Position

### **Evaluation of Finding**

Material Weakness

### **Condition**

During the audit, a prior period adjustment surrounding Yolo Central Landfill Fund investment earnings was identified. The adjustment resulted in a restatement of net position as of June 30, 2023.

### **Criteria**

An important element of control over financial reporting is for management to ensure that as part of the year-end close process, appropriate investment earnings, capital asset activity, and long-term debt transactions are properly recorded and reflected in full accrual presentation prior to the furnishing of the trial balance to the external auditors.

### **Cause of Condition**

The revenue recognition from fiscal year 2023 Bank of New York investment activity was inadvertently recognized in fiscal year 2024. This resulted in an understatement of Yolo Central Landfill Fund net position as of June 30, 2023 in the amount of \$603,993.

### **Effect or Potential Effect of Condition**

An adjustment was recorded to the beginning net position for the Yolo Central Landfill Fund of \$603,993 in the County's financial statements as of June 30, 2024.

### **Recommendation**

We recommend the Department of Financial Services thoroughly review all investment earnings, capital asset activity, and long-term debt transactions to ensure all activity is captured and reconciled to full accrual accounting within the Yolo Central Landfill Fund prior to furnishing of the trial balance to the external auditors.

### **Management Response**

The County agrees with the finding and is implementing procedures to properly convert the Yolo Central Landfill Fund from required internal accounting treatment to the full accrual presentation prior to furnishing the trial balance to the external auditors.