

**COUNTY OF TEHAMA,
CALIFORNIA**



**SINGLE AUDIT ACT
REPORTS AND SCHEDULES
FOR THE YEAR ENDED
JUNE 30, 2013**

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COUNTY OF TEHAMA
Single Audit Act
For the Year Ended June 30, 2013

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**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**

To the Board of Supervisors and Grand Jury
County of Tehama
Red Bluff, 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, each major fund, and the aggregate remaining fund information of the County of Tehama, California, (County) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated January 14, 2014.

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) to determine the 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses, or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies. (13-FS-01 and 13-FS-02)

To the Board of Supervisors and Grand Jury
County of Tehama
Red Bluff, California

Compliance and Other Matters


As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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.

County's Response to Findings

The County's response to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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


Smith & Newell, CPAs
Yuba City, California
January 14, 2014

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133**

To the Board of Supervisors and Grand Jury
County of Tehama
Red Bluff, California

Report on Compliance for Each Major Federal Program

We have audited the County of Tehama, California's (County) compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2013. The County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

To the Board of Supervisors and Grand Jury
County of Tehama
Red Bluff, California

Report on Internal Control Over Compliance

Management of the County, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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


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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

To the Board of Supervisors and Grand Jury
County of Tehama
Red Bluff, California

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the County of Tehama, California, as of and for the year ended June 30, 2013 and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated January 14, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.


Smith & Newell, CPAs
Yuba City, California
January 14, 2014

COUNTY OF TEHAMA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

<u>Federal Program/Pass Through Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor Number</u>	<u>Federal Expenditures</u>
U.S. Department of Agriculture			
Passed through State Department of Food and Agriculture:			
Plant and Animal Disease, Pest Control, and Animal Care	10.025	11-8523-0572-CA	\$ 766
Plant and Animal Disease, Pest Control, and Animal Care	10.025	11-8520-1164-CA	2,213
Plant and Animal Disease, Pest Control, and Animal Care	10.025	11-8520-1399-CA	19,530
Plant and Animal Disease, Pest Control, and Animal Care	10.025	12-8520-1164-CA	405
Plant and Animal Disease, Pest Control, and Animal Care	10.025	12-8506-0484-CA	<u>20,702</u>
Subtotal 10.025			<u>43,616</u>
Passed through State Department of Education:			
School Breakfast Program	10.553	02951-SN-52-R	8,111
National School Lunch Program	10.555	02951-SN-52-R	18,056
Passed through State Department of Social Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	CEC-52-2013	1,157,804
Passed through State Department of Health Services:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	11-10501	706,471
Passed through State Controller's Office:			
Cooperative Forestry Assistance	10.664	7FG12097	13,279
Cooperative Forestry Assistance	10.664	11-LE-11051360-203	10,000
Cooperative Forestry Assistance	10.664	11-LE-11051360-211	<u>55,000</u>
Subtotal 10.664			<u>78,279</u>
Schools and Roads - Grants to Counties	10.666	None	<u>545,825</u>
Total U.S. Department of Agriculture			<u>2,558,162</u>
U.S. Department of Housing and Urban Development			
Passed through State Department of Housing and Community Development:			
Home Investment Partnerships Program	14.239	08-HOME-4709	<u>400,466</u>
Total U.S. Department of Housing and Urban Development			<u>400,466</u>
U.S. Department of the Interior			
Direct Program:			
Payments in Lieu of Taxes	15.226	-	<u>147,800</u>
Total U.S. Department of the Interior			<u>147,800</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

COUNTY OF TEHAMA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

<u>Federal Program/Pass Through Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor Number</u>	<u>Federal Expenditures</u>
U.S. Department of Justice			
Direct Program:			
Drug Court Discretionary Grant Program	16.585	-	\$ 89,482
Passed through Board of State and Community Corrections:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	BSCC 671-12	83,844
Passed through State Emergency Management Agency:			
Crime Victim Assistance	16.575	VW 1217 0520	49,232
Crime Victim Assistance	16.575	UV 1102 0520	23,600
Crime Victim Assistance	16.575	UV 1203 0520	68,146
Subtotal 16.575			<u>140,978</u>
Edward Byrne Memorial Justice Assistance Grant Program	16.738	DC 1122 0520	2,185
ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government	16.804	ZP 0901 0520	21,211
ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government	16.804	ZA 0901 0520	59,004
Subtotal 16.804			<u>80,215</u>
Total U.S. Department of Justice			<u>396,704</u>
U.S. Department of Transportation			
Passed through State Department of Transportation:			
Highway Planning and Construction	20.205	BHLS-5908(039)	19,599
Highway Planning and Construction	20.205	BRLKS-5908(029)	154,944
Highway Planning and Construction	20.205	BRLO-5908(055)	24,410
Highway Planning and Construction	20.205	BRLO-5908(056)	3,680
Highway Planning and Construction	20.205	BRLO-5908(057)	3,401
Highway Planning and Construction	20.205	BRLOZB-5908(025)	87,581
Highway Planning and Construction	20.205	BRLS-5908(038)	(12,356)
Highway Planning and Construction	20.205	BRLS-5908(070)	38,670
Highway Planning and Construction	20.205	BRLS-5908(081)	33,904
Highway Planning and Construction	20.205	BRLSZD-5908(031)	293,252
Highway Planning and Construction	20.205	HP21L-0769(001)	5,052
Highway Planning and Construction	20.205	HRRRL-5908(074)	108,532
Highway Planning and Construction	20.205	HRRRL-5908(075)	43,756
Highway Planning and Construction	20.205	HSIPL-5908(073)	50,478
Highway Planning and Construction	20.205	HSIPL-5908(078)	101,429
Highway Planning and Construction	20.205	HSIPL-5908(079)	41,927
Highway Planning and Construction	20.205	HSIPL-5908(080)	23,524
Highway Planning and Construction	20.205	HSIPL-5908(089)	55,642
Highway Planning and Construction	20.205	RPSTPL-5908(090)	2,148,800
Highway Planning and Construction	20.205	RPSTPLE-5908(067)	185,100

See accompanying Notes to Schedule of Expenditures of Federal Awards

COUNTY OF TEHAMA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

<u>Federal Program/Pass Through Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor Number</u>	<u>Federal Expenditures</u>
U.S. Department of Transportation (Continued)			
Passed through State Department of Transportation (Continued):			
Highway Planning and Construction	20.205	SPOA-5908(086)	\$ 391
Highway Planning and Construction	20.205	SRTSL-5908(092)	27,327
Highway Planning and Construction	20.205	STPLZ-5908(024)	<u>4,460,485</u>
Subtotal 20.205			<u>7,899,528</u>
Formula Grants for Other Than Urbanized Areas	20.509	FTA 5311	417,021
State Planning and Research	20.515	None	<u>30,496</u>
Total U.S. Department of Transportation			<u>8,347,045</u>
U.S. Department of Health and Human Services			
Passed through State Department of Social Services:			
Guardianship Assistance	93.090	800-52-2013	11,875
Promoting Safe and Stable Families	93.556	CEC-52-2013	84,146
Stephanie Tubbs Jones Child Welfare Services State Grants	93.645	CEC-52-2013	50,398
Social Services Block Grant	93.667	CEC-52-2013	74,712
Chafee Foster Care Independence Program	93.674	CEC-52-2013	79,147
Temporary Assistace for Needy Families	93.558	CEC-52-2013	4,162,458
Temporary Assistace for Needy Families	93.558	800-52-2013	<u>2,065,967</u>
Subtotal 93.558			<u>6,228,425</u>
Foster Care - Title IV-E	93.658	CEC-52-2013	1,008,502
Foster Care - Title IV-E	93.658	800-52-2013	<u>860,863</u>
Subtotal 93.658			<u>1,869,365</u>
Adoption Assistance	93.659	CEC-52-2012	134,776
Adoption Assistance	93.659	800-52-2012	<u>1,808,302</u>
Subtotal 93.659			<u>1,943,078</u>
Passed through State Child Support Department:			
Child Support Enforcement	93.563	Tehama	889,480
Passed through State Department of Aging:			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	IIIB-0712-13	7,441
Special Programs for the Aging - Title III, Part C - Nutrition Service:	93.045	IIIC-080-13	143,624
Nutrition Services Incentive Program	93.053	IIIC-080-13	28,357
Passed through State Secretary of State:			
Voting Access for Individuals with Disabilities - Grants to States	93.617	11G26149	9,017

See accompanying Notes to Schedule of Expenditures of Federal Awards

COUNTY OF TEHAMA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

<u>Federal Program/Pass Through Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor Number</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services (Continued)			
Passed through State Department of Health Services:			
Public Health Emergency Preparedness	93.069	EPO 12-52	\$ 112,922
National Bioterrorism Hospital Preparedness Program	93.889	EPO 12-52	110,727
Medical Assistance Program	93.778	HCPCFC	46,704
Medical Assistance Program	93.778	IHSS	70,264
Subtotal 93.778			<u>116,968</u>
Maternal and Child Health Services Block Grant to the States	93.994	CHDP	93,161
Maternal and Child Health Services Block Grant to the States	93.994	CCS	145,152
Maternal and Child Health Services Block Grant to the States	93.994	MCH	202,051
Subtotal 93.994			<u>440,364</u>
Passed through State Department of Mental Health Services:			
Projects for Assistance in Transition from Homelessness (PATH)	93.150	PATH	16,712
Block Grants for Community Mental Health Services	93.958	MHBG	200,894
Passed through State Department of Alcohol and Drug Programs:			
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	CSAT	321,326
Block Grants for Prevention and Treatment of Substance Abuse	93.959	SAPT	793,292
Passed through State Department of Community Services and Development:			
Community Services Block Grant	93.569	12F-4449	185,600
Community Services Block Grant	93.569	12F-4517	47,154
Community Services Block Grant	93.569	13F-3049	59,114
Subtotal 93.569			<u>291,868</u>
Total U.S. Department of Health and Human Services			<u>13,824,138</u>
Department of Homeland Security			
Passed through State Office of Emergency Services:			
Hazard Mitigation Grants	97.039	1628-DR-CA	9,830
Emergency Management Performance Grants	97.042	2011-EP-00048	46,620
Emergency Management Performance Grants	97.042	2012-0027	72,743
Subtotal 97.042			<u>119,363</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

COUNTY OF TEHAMA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

<u>Federal Program/Pass Through Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor Number</u>	<u>Federal Expenditures</u>
Department of Homeland Security (Continued)			
Passed through State Office of Emergency Services (Continued):			
Homeland Security Grant Program	97.067	2010-085	15,592
Homeland Security Grant Program	97.067	2011-077	55,729
Homeland Security Grant Program	97.067	2012-0123	<u>9,665</u>
Subtotal 97.067			<u>80,986</u>
Total Department of Homeland Security			<u>210,179</u>
Total			<u><u>\$ 25,884,494</u></u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

COUNTY OF TEHAMA
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

1. REPORTING ENTITY

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the County of Tehama. The County of Tehama reporting entity is defined in Note 1 to the County's basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the Schedule of Expenditures of Federal Awards.

2. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied. The accompanying Schedule of Expenditures of Federal Awards, is presented using the modified accrual basis of accounting for grants accounted for in the governmental fund types and the accrual basis of accounting for grants accounted for in the proprietary fund types, as described in the notes to the County financial statements.

3. RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree or can be reconciled with amounts reported in the related federal financial assistance reports.

4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree or can be reconciled with amounts reported in the County's basic financial statements.

5. PASS -THROUGH ENTITIES' IDENTIFYING NUMBER

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

6. AMERICAN RECOVERY AND REINVESTMENT ACT EXPENDITURES

In accordance with requirements under OMB Circular A-133, expenditures for federal awards under the American Recovery and Reinvestment Act of 2009 (ARRA) are separately identified by inclusion of the prefix "ARRA" on the Schedule of Expenditures of Federal Awards.

COUNTY OF TEHAMA
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

7. SUBRECIPIENTS

Of the federal expenditures presented in the Schedule of Expenditures of Federal Awards, the County of Tehama provided federal awards to subrecipients as follows:

Federal CFDA	Subrecipient	Amount
93.044	City of Red Bluff	\$ 7,441
93.045	City of Red Bluff	143,624
93.053	City of Red Bluff	28,357
93.569	Alternatives to Violence	500
93.569	Tehama Together	2,500
93.569	Community Action	8,250
93.959	Cap Builders/Catherine Marshall Business Plan	3,500
Total		<u>\$ 194,172</u>

8. PROGRAM CLUSTERS

Federal programs, which must be audited together as a program cluster, include the following:

Federal CFDA	Program Title	Federal Expenditures
<u>Child Nutrition Cluster</u>		
10.553	School Breakfast Program	\$ 8,111
10.555	National School Lunch Program	18,056
Total		<u>\$ 26,167</u>
<u>JAG Program Cluster</u>		
16.738	Edward Byrne Memorial Justice Assistance Grant Program	\$ 86,029
16.804	ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Governments	80,215
Total		<u>\$ 166,244</u>
<u>Aging Cluster</u>		
93.044	Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	\$ 7,441
93.045	Special Programs for the Aging - Title III, Part C - Nutrition Services	143,624
93.053	Nutrition Services Incentive Program	28,357
Total		<u>\$ 179,422</u>

COUNTY OF TEHAMA
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

9. CALIFORNIA DEPARTMENT OF AGING (CDC) REPORTING REQUIREMENTS

A reconciliation of accrual basis expenditures as reported on the Financial Closeout Report to cash basis expenditures confirmed as of June 30, 2013 follows:

Program	Federal CFDA Number	Total Expenditures	Accrual Adjustments	Confirmed Amount
IIIB Transportation	93.044	\$ 3,441	(\$ 35)	\$ 3,406
IIIB Transportation One Time Only	93.044	4,000	35	4,035
IIIC-1 Congregate	93.045	54,905	(1)	54,904
IIIC-1 Congregate One Time Only	93.045	2,232	1	2,233
IIIC-1 Congregate Nutrition Services Incentive Program	93.053	11,245	-	11,245
IIIC-2 Home Delivered Meals	92.045	81,755	-	81,755
IIIC-2 Home Delivered Meals One Time Only	93.045	4,732	-	4,732
IIIC-2 Home Delivered Meals, Nutrition Services Incentive	93.053	17,112	-	17,112
Total Expenditures of CDA Federal Awards		<u>\$ 179,422</u>	<u>\$ -</u>	<u>\$ 179,422</u>

10. CALIFORNIA EMERGENCY MANAGEMENT AGENCY GRANT EXPENDITURES

The following schedule represents expenditures for U.S. Department of Justice grants passed through the State of California, Emergency Management Agency (CalEMA), as well as CalEMA funded grant expenditures for the year ended June 30, 2013. This information is included in the County's single audit report at the request of CalEMA.

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2012	For the Year Through June 30, 2013	Cumulative As of June 30, 2013	Federal Share	State Share	County Share
<u>VW12170520 - Victim Witness Assistance</u>						
Personal services	\$ -	\$ 117,153	\$ 117,153	\$ 49,232	\$ 67,921	\$ -
Operating expenses	-	1,211	1,211	-	1,211	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ -</u>	<u>\$ 118,364</u>	<u>\$ 118,364</u>	<u>\$ 49,232</u>	<u>\$ 69,132</u>	<u>\$ -</u>
<u>UV11020520 - Underserved Victim Advocacy and Outreach Program</u>						
Personal services	\$ 47,030	\$ 16,271	\$ 63,301	\$ 13,114	\$ -	\$ 3,157
Operating expenses	3,567	13,108	16,675	10,486	-	2,622
Equipment	-	-	-	-	-	-
Totals	<u>\$ 50,597</u>	<u>\$ 29,379</u>	<u>\$ 79,976</u>	<u>\$ 23,600</u>	<u>\$ -</u>	<u>\$ 5,779</u>
<u>UV12030520 - Underserved Victim Advocacy and Outreach Program</u>						
Personal services	\$ -	\$ 75,815	\$ 75,815	\$ 60,652	\$ -	\$ 15,163
Operating expenses	-	9,668	9,668	7,494	-	2,174
Equipment	-	-	-	-	-	-
Totals	<u>\$ -</u>	<u>\$ 85,483</u>	<u>\$ 85,483</u>	<u>\$ 68,146</u>	<u>\$ -</u>	<u>\$ 17,337</u>

COUNTY OF TEHAMA
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

**10. CALIFORNIA EMERGENCY MANAGEMENT AGENCY GRANT EXPENDITURES
(CONTINUED)**

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2012	For the Year Through June 30, 2013	Cumulative As of June 30, 2013	Federal Share	State Share	County Share
<u>DC11220520 - Anti-Drug Abuse Enforcement</u>						
Personal services	\$ 74,807	\$ -	\$ 74,807	\$ -	\$ -	\$ -
Operating expenses	43,384	2,185	45,569	2,185	-	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ 118,191</u>	<u>\$ 2,185</u>	<u>\$ 120,376</u>	<u>\$ 2,185</u>	<u>\$ -</u>	<u>\$ -</u>
<u>ZP09010520 - Probation Offender Supervision and Treatment</u>						
Personal services	\$ 66,329	\$ 9,718	\$ 76,047	\$ 9,718	\$ -	\$ -
Operating expenses	26,335	11,493	37,828	11,493	-	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ 92,664</u>	<u>\$ 21,211</u>	<u>\$ 113,875</u>	<u>\$ 21,211</u>	<u>\$ -</u>	<u>\$ -</u>
<u>ZA09010520 - Anti-Drug Abuse Enforcement Team</u>						
Personal services	\$ 23,818	\$ 2,395	\$ 26,213	\$ 2,395	\$ -	\$ -
Operating expenses	203,421	56,609	260,030	56,609	-	-
Equipment	22,620	-	22,620	-	-	-
Totals	<u>\$ 249,859</u>	<u>\$ 59,004</u>	<u>\$ 308,863</u>	<u>\$ 59,004</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF TEHAMA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements	<u>Status</u>
1. Type of auditor's report issued	Unqualified
2. Internal controls over financial reporting:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified not considered to be material weaknesses?	Yes
3. Noncompliance material to financial statements noted?	No
 Federal Awards	
1. Internal control over major programs:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified not considered to be material weaknesses?	No
2. Type of auditor's report issued on compliance for major programs:	Unqualified
3. Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 Section 510(a)?	No
4. Identification of major programs:	
10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	
16.738 Edward Byrne Memorial Justice Assistance Grant Program	
16.804 ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants	
20.205 Highway Planning and Construction	
93.658 Foster Care - Title IV-E	
93.659 Adoption Assistance	
93.778 Medical Assistance Program	
5. Dollar threshold used to distinguish between Type A and Type B Programs?	\$ 776,535
6. Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 530?	No

COUNTY OF TEHAMA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013

SECTION II - FINANCIAL STATEMENT FINDINGS

Reconciliation of Inmate Trust Funds and Civil Trust Funds	13-FS-01
Deposits from Others	13-FS-02

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None

COUNTY OF TEHAMA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013

13-FS-01 Reconciliation of Inmate Trust Funds and Civil Trust Funds (Significant Deficiency)

Condition

At the time of our audit we noted that the bank balance in the Civil Trust account and the Inmate Trust bank account had not been reconciled to a detail list of open case deposits and a detailed listing of inmate cash balances. This is a repeat of a prior year finding.

Cause

The Department has not developed procedures to reconcile monies held in trust to a detail list of individual open civil case deposits and a detail list of inmate cash balances.

Criteria

Good internal control over monies held in trust requires that the cash balances be reconciled to a list of individual open civil case deposits and a list of individual inmate cash balances.

Effect of Condition

The risk of errors or irregularities occurring and not being detected is increased when monies held in trust are not reconciled to a detail list of individual open civil cash deposits or inmate balances.

Recommendation

We recommend that all monies held in trust be reconciled to a detail list of open civil case deposits and to a detail list of individual inmate cash balances.

Corrective Action Plan

Inmate Trust - A detailed report with inmate balances was provided at the time of field work. The report was not printed immediately upon year-end and included some activity from July. Unfortunately, reports of this nature can never be duplicated as checks written, checks cleared and deposits entered affect the daily balances in the inmate accounts. As a result, the report could not be re-run to reflect only June inmate activity. In addition the report provided was only for "active" inmates and did not include detailed information for the "inactive" inmate balances.

Although a detailed report was not available for "inactive" inmates, the total was provided. The department was able to provide an explanation for all amounts listed on the reconciliation, the balance of "inactive" inmates, and a detailed listing of "active" inmates, and was able to reconcile the inmate software system balance to the bank balance for June 30, 2013.

The Auditor's office will continue to work with the department to have the report run immediately upon year-end, and to include both "active" and "inactive" inmates in the detail. We believe this finding will be considered resolved in the next fiscal year.

COUNTY OF TEHAMA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013

13-FS-01 Reconciliation of Inmate Trust Funds and Civil Trust Funds (Significant Deficiency)
(Continued)

Corrective Action Plan (Continued)

Civil Trust - The Auditor's office continues to work with Sheriff Civil staff to produce a detailed report for balances held in the Civil account. The department uses the Civil Administration System (CAS) software; a system utilized by most of the western counties. Unfortunately, the software system has limited capability to produce detailed balances by account. The trial balance is the only account available and it changes daily as activity is entered into the system. In addition, as is the case with the Inmate Trust, the report was run a couple of weeks after year end and it is difficult to replicate the balance as of June 30.

During the year, the Auditor's office added an allocation for an Accountant position. The accountant is working closely with the department to reconcile their account activity in CAS accounting program, Quicken and the bank. We are hopeful that this individual will have the time to rectify this situation so we may eliminate this finding in the upcoming fiscal year.

13-FS-02 Deposits from Others (Significant Deficiency)

Condition

We noted that the Road department was holding deposits from others that had been received as far back as 1981.

Cause

The Department has not reviewed the list to determine if any deposits should be forfeited or refunded. The Department is in the process of trying to implement a plan on how to clean up the old deposits.

Criteria

Good internal control over deposits requires that they be reviewed periodically to determine if any amount should be forfeited or refunded.

Effect of Condition

The County may be holding money that should be forfeited or refunded.

Recommendation

We recommend that a list of monies held as a refundable deposit be reviewed to determine if there are monies that should be forfeited or refunded.

COUNTY OF TEHAMA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013

13-FS-02 Deposits from Others (Significant Deficiency) (Continued)

Corrective Action Plan

The department worked diligently to reduce the number of deposits held in trust during the past year. The deposits are dependent upon the completion of various permits requirements and related development activity. A compilation of active and inactive project deposits is being developed that will result in the identification of deposits that can be closed and funds either refunded or forfeited. It continues to be the Department's standing procedure to review and purge the trust fund deposit list whenever possible as new deposits are regularly added to the trust fund each year.

Staff's implementation of the trust fund active and inactive project list purging effort is expected to see continued improvement during the upcoming fiscal year. Many old projects have already been cleared from the trust fund through this process. It is important to recognize that many of the project and/or permits included in the trust fund remain active for multiple years depending upon a particular development's progress and project extension options implemented through local and state statutes. Additionally, deposits are cleared from the trust fund as projects are completed, which by its very nature will cause the project list to see one of three effects; 1) reduction, 2) status quo, or 3) increase, over the course of the year. The above noted action will accomplish the goal of reducing aging trust fund deposits on a continuing basis.

COUNTY OF TEHAMA
Schedule of Prior Year Findings and Questioned Costs
For the Year Ended June 30, 2013

<u>Audit Reference</u>	<u>Status of Prior Year Audit Recommendations</u>
12-FS-01	Revenue Recognition Recommendation We recommend that the County review its revenue recognition policy and ensure that all revenues are recognized in accordance with GASB Statement No. 33. Status In Progress
12-FS-02	Fund Classification and Accounting Recommendation We recommend that the County properly record activity in the governmental funds and provide training for staff on proper accounting practices. Status In Progress
12-FS-03	Trust Reconciliations Recommendation We recommend that excess proceeds held in the Property Tax Trust be distributed in accordance with the County Tax Sale Procedure Manual. Status Implemented
12-SA-01	Adoption Assistance CFDA 93.659 Recommendation We recommend that the County incorporate into their review process procedures to ensure that only eligible individuals are provided Federal Adoption Assistance. Status Implemented

**Supplemental Statements of Revenue and
Expenditures Passed Through State Department of
Community Services and Development**

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COUNTY OF TEHAMA
Supplemental Statement of Revenue and Expenditure
CSD Contract No. 12F-4449 (CSBG)
For the Period of January 1, 2012 Through June 30, 2013

	<u>January 1 through June 30, 2012</u>	<u>July 1, 2012 through June 30, 2013</u>	<u>Totals</u>
Revenue			
Grant revenue	\$ 79,782	\$ 167,869	\$ 247,651
Total Revenue	<u>\$ 79,782</u>	<u>\$ 167,869</u>	<u>\$ 247,651</u>
Expenditures			
Administrative Costs:			
Travel	\$ -	\$ 1,500	\$ 1,500
Operating expenses	2,918	3,957	6,875
Subcontractor services	<u>3,518</u>	<u>11,478</u>	<u>14,996</u>
Total Administrative Costs	<u>6,436</u>	<u>16,935</u>	<u>23,371</u>
Program Costs:			
Salaries and wages	12,162	37,748	49,910
Fringe benefits	2,723	11,669	14,392
Operating expenses	13,164	46,789	59,953
Subcontractor services	<u>27,566</u>	<u>72,459</u>	<u>100,025</u>
Total Program Costs	<u>55,615</u>	<u>168,665</u>	<u>224,280</u>
Total Expenditures	<u>\$ 62,051</u>	<u>\$ 185,600</u>	<u>\$ 247,651</u>

COUNTY OF TEHAMA
Supplemental Statement of Revenue and Expenditure
CSD Contract No. 12F-4517 (CSBG)
For the Period July 1, 2012 Through June 30, 2013

	July 1, 2012 through June 30, 2013	Totals
Revenue		
Grant revenue	\$ 47,154	\$ 47,154
Total Revenue	<u>\$ 47,154</u>	<u>\$ 47,154</u>
Expenditures		
Administrative Costs:		
Subcontractor services	\$ 5,866	\$ 5,866
Total Administrative Costs	<u>5,866</u>	<u>5,866</u>
Program Costs:		
Salaries and wages	13,204	13,204
Fringe benefits	3,094	3,094
Operating expenses	<u>24,990</u>	<u>24,990</u>
Total Program Costs	<u>41,288</u>	<u>41,288</u>
Total Expenditures	<u>\$ 47,154</u>	<u>\$ 47,154</u>

COUNTY OF TEHAMA
Supplemental Statement of Revenue and Expenditure
CSD Contract No. 13F-3049 (CSBG)
For the Period January 1, 2013 Through June 30, 2013

	July 1, 2012 through June 30, 2013	Totals
Revenue		
Grant revenue	\$ 126,429	\$ 126,429
Total Revenue	<u>\$ 126,429</u>	<u>\$ 126,429</u>
Expenditures		
Administrative Costs:		
Operating expenses	\$ 1,424	\$ 1,424
Out-of-state travel	31	31
Subcontractor services	<u>5,831</u>	<u>5,831</u>
Total Administrative Costs	<u>7,286</u>	<u>7,286</u>
Program Costs:		
Salaries and wages	24,662	24,662
Fringe benefits	12,912	12,912
Operating expenses	7,094	7,094
Subcontractor services	<u>7,160</u>	<u>7,160</u>
Total Program Costs	<u>51,828</u>	<u>51,828</u>
Total Expenditures	<u>\$ 59,114</u>	<u>\$ 59,114</u>

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