

**COUNTY OF TEHAMA,
CALIFORNIA**



**SINGLE AUDIT ACT
REPORTS AND SCHEDULES
FOR THE YEAR ENDED
JUNE 30, 2020**

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COUNTY OF TEHAMA
Single Audit Act
For the Year Ended June 30, 2020

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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, 2020, 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 4, 2021.

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 have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs, that we consider to be a significant deficiency. (2020-001)

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

Compliance and Other Matters

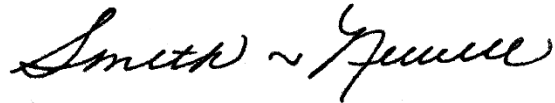
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

County's Response to Finding

The County's response to the finding identified in our audit is described in the management's corrective action plan. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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
March 4, 2021

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE**

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 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, 2020. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance 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.

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

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, 2020.

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 the Uniform Guidance, 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.

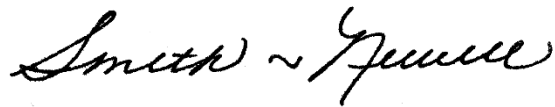
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited 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, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 4, 2021, 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 the Uniform Guidance 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.

The supplemental schedules, as listed in the table of contents, have not been subjected to auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.



Smith & Newell CPAs
Yuba City, California
March 4, 2021

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COUNTY OF TEHAMA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020

Federal Program/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Agriculture				
State Department of Food and Agriculture:				
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP18PPQFO000C500	\$ -	\$ 1,078
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP19PPQFO000C001	-	23,532
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP19PPQFO000C009	-	3,596
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP19PPQFO000C393	-	9,024
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP19PPQFO000C443	-	7,724
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP19PPQFO000C447	-	1,217
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP19PPQFO000C546	-	4,390
Subtotal 10.025			-	50,561
State Department of Education:				
School Breakfast Program	10.553	02951-SN-52-R	-	10,787
National School Lunch Program	10.555	02951-SN-52-R	-	19,015
Total Child Nutrition Cluster			-	29,802
State Department of Health Services:				
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	15-10122	-	173,473
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	19-10197	-	436,500
Subtotal 10.557			-	609,973
State Department of Social Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	10-Unknown	-	1,650,433
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	2016-139	-	107,618
Subtotal 10.561			-	1,758,051
State Controller's Office:				
Cooperative Forestry Assistance	10.664	7FG19125	-	19,999
Schools and Roads - Grants to Counties	10.666	10-Unknown	-	374,581
Total U.S. Department of Agriculture			-	2,842,967
U.S. Department of the Interior				
Direct Program:				
Payments in Lieu of Taxes	15.226	-	-	841,730
Total U.S. Department of the Interior			-	841,730

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, 2020

Federal Program/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Justice				
Direct Program:				
Special Data Collection and Statistical Studies Edward Byrne Memorial Justice Assistance Grant Program	16.734	2018-FU-CX-K015	\$ -	\$ 33,000
	16.738	2018-DJ-BX-0026	-	2,989
Board of State and Community Corrections:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	641-19	-	91,723
Subtotal 16.738			-	94,712
State Emergency Management Agency:				
Crime Victim Assistance	16.575	VW 1823 0520	-	176,001
Crime Victim Assistance	16.575	VW 1924 0520	-	188,054
Crime Victim Assistance	16.575	UV 1803 0520	-	36,253
Crime Victim Assistance	16.575	UV 1904 0520	-	93,817
Subtotal 16.575			-	494,125
Total U.S. Department of Justice			-	621,837
U.S. Department of Transportation				
State Department of Transportation:				
Highway Planning and Construction	20.205	BRLKS-5908(029)	-	5,445
Highway Planning and Construction	20.205	BRLO-5908(055)	-	4,120
Highway Planning and Construction	20.205	BRLO-5908(056)	-	60,043
Highway Planning and Construction	20.205	BRLO-5908(057)	-	130,507
Highway Planning and Construction	20.205	BRLOZB-5908(025)	-	491,303
Highway Planning and Construction	20.205	BRLS-5908(070)	-	3,371
Highway Planning and Construction	20.205	BRLS-5908(081)	-	456
Highway Planning and Construction	20.205	BRLSZD-5908(031)	-	6,551,237
Highway Planning and Construction	20.205	BPMP-5908(096)	-	831
Highway Planning and Construction	20.205	HSIPL-5908(079)	-	116,688
Highway Planning and Construction	20.205	HSIPL-5908(080)	-	766
Highway Planning and Construction	20.205	HSIPL-5908(104)	-	4,511
Highway Planning and Construction	20.205	HSIPL-5908(105)	-	8,806
Highway Planning and Construction	20.205	HSIPL-5908(106)	-	297
Highway Planning and Construction	20.205	SRTSL-5908(092)	-	43,868
Highway Planning and Construction	20.205	RPSTPL-5908(100)	-	151,348
Highway Planning and Construction	20.205	RPSTPL-5908(102)	-	1,202
Subtotal 20.205			-	7,574,799
Formula Grants for Rural Areas and Tribal Transit Services	20.509	20-Unknown	-	26,914
Total U.S. Department of Transportation			-	7,601,713

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, 2020

Federal Program/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Education				
State Department of Health Services: Fund for the Improvement of Education	84.215	84-Unknown	\$ -	\$ 155,065
Total U.S. Department of Education			-	155,065
Elections Assistance Commission				
Secretary of State: Help America Vote Act Requirements Payments	90.401	18G26152	-	6,986
Total Elections Assistance Commission			-	6,986
U.S. Department of Health and Human Services				
State Department of Social Services: Guardianship Assistance	93.090	93-Unknown	-	53,940
Promoting Safe and Stable Families	93.556	93-Unknown	-	79,931
Temporary Assistance for Needy Families	93.558	93-Unknown	-	6,492,231
Adoption Incentive Payments	93.603	93-Unknown	-	25,671
Stephanie Tubbs Jones Child Welfare Services Program	93.645	93-Unknown	-	93,574
Foster Care - Title IV-E	93.658	93-Unknown	-	2,448,095
Adoption Assistance	93.659	93-Unknown	-	3,575,960
Social Services Block Grant	93.667	93-Unknown	-	149,424
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	93-Unknown	-	40,359
State Child Support Department: Child Support Enforcement	93.563	93-Unknown	-	1,300,432
State Department of Aging: Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	IIC-080-15	-	164,206
Nutrition Services Incentive Program	93.053	IIC-080-15	-	23,006
Total Aging Cluster			-	187,212
State Department of Alcohol and Drug Programs: Block Grants for Prevention and Treatment of Substance Abuse	93.959	93-Unknown	-	649,959
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	93-Unknown	-	469,454

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, 2020

Federal Program/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Health and Human Services (Continued)				
State Department of Health Services:				
Public Health Emergency Preparedness	93.069	93-Unknown	\$ -	\$ 87,312
Childhood Lead Poisoning Prevention Projects - State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	18-10211	-	8,009
Immunization Cooperative Agreements	93.268	17-10072	-	24,095
Medical Assistance Program	93.778	93-Unknown	-	2,879,871
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	15-10208	-	313,398
National Bioterrorism Hospital Preparedness Program	93.889	93-Unknown	-	114,000
Maternal and Child Health Services Block Grant to the States	93.994	93-Unknown	-	113,364
State Department of Community Services and Development:				
Community Services Block Grant	93.569	19F-4049	-	213,471
Community Services Block Grant	93.569	19F-4451	-	30,000
Community Services Block Grant	93.569	20F-3049	-	86,825
Subtotal 93.569			-	330,296
State Department of Mental Health Services:				
Projects for Assistance in Transition from Homelessness (PATH)	93.150	93-Unknown	-	16,313
Block Grants for Community Mental Health Services	93.958	93-Unknown	-	402,304
Total U.S. Department of Health and Human Services			-	19,855,204
Department of Homeland Security				
State Emergency Management Agency:				
Emergency Management Performance Grants	97.042	2018-008	-	82,192
Homeland Security Grant Program	97.067	2017-0083	-	29,841
Homeland Security Grant Program	97.067	2018-0054	-	69,281
Homeland Security Grant Program	97.067	2019-0035	-	4,091
Subtotal 97.067			-	103,213
Total Department of Homeland Security			-	185,405
Total			\$ -	\$ 32,110,907

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, 2020

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, California. 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. The information from the schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

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. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursements.

3. INDIRECT COST RATE

The County has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

4. 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.

5. 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.

6. 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 and the identifying number is shown as unknown.

COUNTY OF TEHAMA
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020

7. PROGRAM CLUSTERS

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

<u>Federal CFDA No.</u>	<u>Program Title</u>	<u>Federal Expenditures</u>
<u>Child Nutrition Cluster</u>		
10.553	School Breakfast Program	\$ 10,787
10.555	National School Lunch Program	<u>19,015</u>
	Total	<u>\$ 29,802</u>
<u>Aging Cluster</u>		
93.045	Special Programs for the Aging – Title III, Part C – Nutrition Services	\$ 164,206
93.053	Nutrition Services Incentive Program	<u>23,006</u>
	Total	<u>\$ 187,212</u>

8. CORONAVIRUS RELIEF FUNDS

The County was certified to receive funding through the Coronavirus Relief Funds passed through the State of California. Expenditures incurred from March to June 2020, will be reported on the County’s Schedule of Expenditures of Federal Awards for the fiscal year ending June 30, 2021.

COUNTY OF TEHAMA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements	<u>Status</u>
1. Type of auditor's report issued	Unmodified
2. Internal controls over financial reporting:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified and 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 and not considered to be material weaknesses?	No
2. Type of auditor's report issued on compliance for major programs:	Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	No
4. Identification of major programs:	
16.575 Crime Victim Assistance	
93.558 Temporary Assistance for Needy Families	
93.563 Child Support Enforcement	
93.569 Community Services Block Grant	
93.658 Foster Care-Title IV-E	
93.659 Adoption Assistance	
5. Dollar threshold used to distinguish between Type A and Type B programs?	\$963,327
6. Auditee qualified as a low-risk auditee under 2 CFR Section 200.520?	No

SECTION II - FINANCIAL STATEMENT FINDINGS

Audit Adjustments 2020-001

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None

COUNTY OF TEHAMA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020

2020-001 Audit Adjustments (Significant Deficiency)

Criteria

Government auditing standards require independent auditors to evaluate all unadjusted misstatements of financial statements.

Condition

At the time of our audit, we noted that accounts receivable, unearned revenues, and capital assets required significant adjustments.

Cause

The County had not reconciled and adjusted all accounts on the general ledger to adequate documentation.

Effect

The financial statements as presented to us contained misstatements and required adjustment.

Questioned Cost

No questioned costs were identified as a result of our procedures.

Context

Not applicable.

Repeat Finding

This is a repeat of prior year finding. 2019-002

Recommendation

We recommend that the County reconcile all accounts to adequate documentation in a timely manner prior to the start of the annual audit.

Views of Responsible Officials and Planned Corrective Action

Refer to separate Management's Corrective Action Plan for views of responsible officials and management's responses.

LEROY M. ANDERSON
Auditor-Controller



KRISTA K. PETERSON
Assistant Auditor-Controller

TEHAMA COUNTY AUDITOR-CONTROLLER

COUNTY OF TEHAMA, CALIFORNIA

Status of Prior Year Findings and Questioned Costs

And

Corrective Action Plan

For the Year Ended June 30, 2020

Compiled by: Krista Peterson
Assistant Auditor-Controller

COUNTY OF TEHAMA
Schedule of Prior Year Findings and Questioned Costs
For the Year Ended June 30, 2020

<u>Audit Reference</u>	<u>Status of Prior Year Recommendations</u>
2019-001	<p>Prior Period Adjustment</p> <p>Recommendation</p> <p>We recommend that the County review the financial records and ensure that all items are recorded correctly.</p> <p>Status</p> <p>Implemented</p>
2019-002	<p>Audit Adjustments</p> <p>Recommendation</p> <p>We recommend that the County reconcile all accounts to adequate documentation in a timely manner prior to the start of the annual audit.</p> <p>Status</p> <p>In Progress</p>

LEROY M. ANDERSON
Auditor-Controller



KRISTA K. PETERSON
Assistant Auditor-Controller

TEHAMA COUNTY AUDITOR-CONTROLLER

Date: March 4, 2021

Re: Schedule of Findings and Questioned Costs (2020-001)

**Single Audit
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020**

2020-001 Audit Adjustments

Recommendation:

That the County reconcile all accounts to adequate documentation in a timely manner prior to the start of the annual audit.

Responsible Individuals:

County departments with oversight from Jean Arnaz – Auditor Accountant

Corrective Action Plan:

This is a repeat of the prior year audit finding and has been noted as “In Progress” by the audit firm. The County has made great progress towards rectifying this issue and will continue to work with departments on an individual basis to ensure accurate and timely information is provided to the auditors.

The departments “are” providing totals for expenditures and revenues, and the Auditor Accountant “does” review documentation provided by them, prior to the start of the audit. To say that we are not reconciling this information is somewhat of a misstatement. After documentation is turned over to the auditors and the testing phase begins, a few things can, and do, happen:

Due to later reporting deadlines, some departments use estimates in their year-end totals. When additional documentation is requested by the auditors, they may have “final” numbers to provide. Thus, changing what was originally reported.

1. Departments also have the opportunity to realize that they may have missed something when reporting their year end totals. Again, this results in a change to what was originally reported.
2. At times, what was once provided, and deemed acceptable, as backup documentation, becomes unacceptable. New, and more detailed, documentation sometimes has to be provided in order to satisfy the audit request. When the new documentation is provided, the Auditor-Accountant must do further reconciliation. Again, this can potentially change what was initially submitted and reported to the auditors. Three specific issues noted this year were: Road Department’s Infrastructure listing, or lack of; the age of some of the Road Department’s inactive projects; and the Health Agency’s “Due From State/Federal Agency” reporting.

The following were put in place in order to correct these issues:

Road Department

The department created a comprehensive listing of infrastructure that ties into and reconciles to the infrastructure being tracked by the county.

The department removed some of the inactive construction projects from Construction in Progress.

Health Agency

The agency often uses estimates at year-end; they sometimes include programs that should not be listed on their Due From State/Federal Agency report; they don't provide adequate justification for estimates for annual amounts; and they typically submit Excel documents that are becoming unacceptable to the auditors.

As a resolution, the department has written procedures, and put them in place, in order to help their accounting staff report yearend totals more accurately. These procedures also provide guidance for them to show justification for estimates for annual amounts. They have also created a claiming template to report their expenses quarterly to the audit firm and will back the claims up with supporting documentation.

Anticipated Completion Date:

All processes are now in place and will be applied in the upcoming 20/21 audit.

Supplemental Schedules

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COUNTY OF TEHAMA
Supplemental Schedule
California Department of Aging (CDA)
For the Year Ended June 30, 2020

A reconciliation of accrual basis expenditures as reported on the Financial Closeout Report to cash basis expenditures confirmed as of June 30, 2020 follows:

<u>Program</u>	<u>Federal CFDA Number</u>	<u>Total Expenditures</u>	<u>Accrual Adjustments</u>	<u>Confirmed Amount</u>
IIC-1 Congregate	93.045	\$ 33,801	\$ -	\$ 33,801
IIC-1 Congregate Nutrition Services Incentive Program	93.053	6,458	-	6,458
IIC-2 Home Delivered Meals	93.045	130,405	-	130,405
IIC-2 Home Delivered Meals, Nutrition Services Incentive	93.053	<u>16,548</u>	-	<u>16,548</u>
Total Expenditures of CDA Federal Awards		<u>\$ 187,212</u>	<u>\$ -</u>	<u>\$ 187,212</u>

The terms and conditions of contracts with CDA require agencies to display state-funded expenditures discretely along with the related federal expenditures. The following schedule is presented to comply with these requirements.

<u>Federal CFDA No.</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Total</u>
93.045	\$ 164,206	\$ -	\$ 164,206
93.053	<u>23,006</u>	-	<u>23,006</u>
Total	<u>\$ 187,212</u>	<u>\$ -</u>	<u>\$ 187,212</u>

COUNTY OF TEHAMA
Supplemental Schedule
California Emergency Management Agency
For the Year Ended June 30, 2020

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, 2020. This information is included in the County's single audit report at the request of CalEMA.

	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2019	For the Year Through June 30, 2020	Cumulative As of June 30, 2020	Federal Share	State Share	County Share
<u>VW 1823 0520 - Victim Witness Assistance Program</u>						
Personal services	\$ 129,972	\$ 60,087	\$ 190,059	\$ 60,087	\$ -	\$ -
Operating expenses	40,943	25,522	66,465	15,352	6,936	3,234
Equipment	-	100,562	100,562	100,562	-	-
Totals	<u>\$ 170,915</u>	<u>\$ 186,171</u>	<u>\$ 357,086</u>	<u>\$ 176,001</u>	<u>\$ 6,936</u>	<u>\$ 3,239</u>
<u>VW 1924 0520 - Victim Witness Assistance Program</u>						
Personal services	\$ -	\$ 181,825	\$ 181,825	\$ 158,462	\$ 23,363	\$ -
Operating expenses	-	29,592	29,592	29,592	-	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ -</u>	<u>\$ 211,417</u>	<u>\$ 211,417</u>	<u>\$ 188,054</u>	<u>\$ 23,363</u>	<u>\$ -</u>
<u>UV 1803 0520 - Underserved Victim Advocacy and Outreach Program</u>						
Personal services	\$ 96,518	\$ 33,827	\$ 130,345	\$ 33,827	\$ -	\$ -
Operating expenses	10,495	4,731	15,226	2,426	-	2,305
Equipment	-	-	-	-	-	-
Totals	<u>\$ 107,013</u>	<u>\$ 38,558</u>	<u>\$ 145,571</u>	<u>\$ 36,253</u>	<u>\$ -</u>	<u>\$ 2,305</u>
<u>UV 1904 0520 - Underserved Victim Advocacy and Outreach Program</u>						
Personal services	\$ -	\$ 92,054	\$ 92,054	\$ 90,914	\$ -	\$ 1,140
Operating expenses	-	7,763	7,763	2,903	-	4,860
Equipment	-	-	-	-	-	-
Totals	<u>\$ -</u>	<u>\$ 99,817</u>	<u>\$ 99,817</u>	<u>\$ 93,817</u>	<u>\$ -</u>	<u>\$ 6,000</u>

COUNTY OF TEHAMA
Supplemental Schedule
California Community Services and Development
CSD Contract No. 19F-4049 (CSBG)
For the Period of January 1, 2019 Through December 31, 2019

	<u>January 1 through June 30, 2019</u>	<u>July 1 through December 31, 2019</u>	<u>Total Audited Costs</u>	<u>Total Reported Costs</u>	<u>Total Budget</u>
REVENUE					
Grant revenue	\$ 72,095	\$ -	\$ 72,095		\$ 285,566
Total Revenue	<u>72,095</u>	<u>-</u>	<u>72,095</u>		<u>285,566</u>
EXPENDITURES					
Administrative Costs:					
Operating expenses	7,582	4,745	12,327	12,327	19,943
Contract/consultant services	19,463	32,326	51,789	51,789	45,000
Total Administrative Costs	<u>27,045</u>	<u>37,071</u>	<u>64,116</u>	<u>64,116</u>	<u>64,943</u>
Program Costs:					
Salaries and wages	21,598	16,271	37,869	37,869	88,203
Fringe benefits	8,615	8,775	17,390	17,390	28,441
Operating expenses	8,217	50,732	58,949	58,949	71,579
Subcontractor/consultant services	6,620	100,622	107,242	107,242	32,400
Total Program Costs	<u>45,050</u>	<u>176,400</u>	<u>221,450</u>	<u>221,450</u>	<u>220,623</u>
Total Expenses	<u>\$ 72,095</u>	<u>\$ 213,471</u>	<u>\$ 285,566</u>	<u>\$ 285,566</u>	<u>\$ 285,566</u>

COUNTY OF TEHAMA
Supplemental Schedule
California Community Services and Development
CSD Contract No. 19F-4451 Discretionary (CSBG)
For the Period of June 1, 2019 Through May 31, 2020

	<u>June 1, 2019 through May 31, 2020</u>	<u>Total Audited Costs</u>	<u>Total Reported Costs</u>	<u>Total Budget</u>
REVENUE				
Grant revenue	\$ 30,000	\$ 30,000		\$ 30,000
Total Revenue	<u>30,000</u>	<u>30,000</u>		<u>30,000</u>
EXPENDITURES				
Program Costs:				
Salaries and wages	7,031	7,031	7,031	9,765
Fringe benefits	559	559	559	777
Operating expenses	223	223	223	223
Subcontractor/consultant services	22,187	22,187	22,187	19,235
Total Program Costs	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>
Total Expenses	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ 30,000</u>

COUNTY OF TEHAMA
Supplemental Schedule
California Community Services and Development
CSD Contract No. 20F-3049 (CSBG)
For the Period of January 1, 2020 Through December 31, 2020

	January 1 through June 30, 2020	Total Audited Costs	Total Reported Costs	Total Budget
REVENUE				
Grant revenue	\$ -	\$ -		\$ 291,443
Total Revenue	<u>-</u>	<u>-</u>		<u>291,443</u>
EXPENDITURES				
Administrative Costs:				
Operating expenses	6,430	6,430	6,430	17,029
Contract/consultant services	34,302	34,302	34,302	67,451
Total Administrative Costs	<u>40,732</u>	<u>40,732</u>	<u>40,732</u>	<u>84,480</u>
Program Costs:				
Salaries and wages	16,622	16,622	16,622	49,914
Fringe benefits	8,692	8,692	8,692	24,404
Operating expenses	10,193	10,193	10,193	58,528
Subcontractor/consultant services	10,586	10,586	10,586	74,117
Total Program Costs	<u>46,093</u>	<u>46,093</u>	<u>46,093</u>	<u>206,963</u>
Total Expenses	<u>\$ 86,825</u>	<u>\$ 86,825</u>	<u>\$ 86,825</u>	<u>\$ 291,443</u>

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