

**COUNTY OF TEHAMA,
CALIFORNIA**

**SINGLE AUDIT REPORT
AND SUPPLEMENTAL SCHEDULES**

YEAR ENDED JUNE 30, 2021



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**COUNTY OF TEHAMA
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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

Board of Supervisors
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 County of Tehama, California, (County) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated April 28, 2022.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-003 to be material weaknesses.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2021-002 to be a significant deficiency.

Compliance and Other Matters

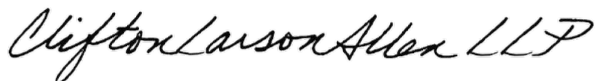
As part of obtaining reasonable assurance about whether the County’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

The County’s response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. 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,



CliftonLarsonAllen LLP

Roseville, California
April 28, 2022



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE,
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Board of Supervisors
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, 2021. The County's major federal programs are identified in the summary of auditors' 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.

Auditors' 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 circumstance.

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, 2021.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2021-004. Our opinion on each major federal program is not modified with respect to this matter.

Management's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Management's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2021-004, that we consider to be a significant deficiency.

The County's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated April 28, 2022, 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.



CliftonLarsonAllen LLP

Roseville, California
April 29, 2022

**COUNTY OF TEHAMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021**

Federal Program/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Agriculture				
State Department of Food and Agriculture:				
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP19PPQFO000C447	\$ 1,430	\$ -
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP19PPQFO000C546	1,767	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP20PPQFO000C540	4,110	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP20PPQFO000C368	2,168	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP20PPQFO000C010	8,931	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP20PPQFO000C457	7,842	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP20PPQFO000C001	18,290	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP20PPQFO000C447	16,603	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP21PPQFO000C176	7,864	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP21PPQFO000C001	6,379	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP21PPQFO000C061	446	-
Subtotal 10.025			75,830	-
State Department of Education:				
National School Lunch Program	10.555	02951-SN-52-R	36,709	-
Total Child Nutrition Cluster			36,709	-
State Department of Health Services:				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	15-10122 WIC	662,320	-
Subtotal 10.557			662,320	-
State Department of Social Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Admin	1,942,178	-
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	215-2012 NEOP	93,553	-
Subtotal 10.561			2,035,731	-
State Controller's Office:				
Cooperative Forestry Assistance	10.664	7FG20218	16,726	-
Schools and Road - Grants to Counties	10.666	10-Unknown	330,371	-
Total U.S. Department of Agriculture			3,157,686	-
U.S. Department of Housing and Urban Development				
Passed through State Emergency Management Agency:				
COVID-19 - Corona Virus , Relief and Economic Security	14.228	CDBG-CV1-00033	12,274	-
COVID-19 - Corona Virus , Relief and Economic Security	14.228	CDBG-CV2/CV3	4,015	-
CDBG-Non Housing - Compn (2018)	14.228	18-CDBG-12936	2,125	-
Total U.S. Department of Housing and Urban Development			18,414	-
U.S. Department of the Interior				
Direct Program:				
Payments in Lieu of Taxes	15.226	-	858,606	-
Total U.S. Department of the Interior			858,606	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF TEHAMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2021

Federal Program/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Justice				
Direct Program:				
Bulletproof Vest Partnership	16.607		14,209	\$ -
Direct Program:				
National Crime Statistics Exchange Implementation Program (NIBRS)	16.034	2018-FU-CX-K015	99,000	-
COVID 19 - Coronavirus Emergency Supplemental Funding Program	16.034	16-Unknown	55,249	-
Subtotal 16.034			<u>154,249</u>	-
Passed through Drug Enforcement Administration				
Domestic Cannabis Eradicatgion/Suppression Program	16.000	2020-048	41,289	-
Domestic Cannabis Eradicatgion/Suppression Program	16.000	2021-50	2,324	-
Subtotal 16.000			<u>43,613</u>	-
Board of State and Community Corrections:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	641-19	83,167	-
Subtotal 16.738			<u>83,167</u>	-
State Emergency Management Agency:				
Crime Victim Assistance	16.575	VW 1924 0520	72,786	-
Crime Victim Assistance	16.575	UV 1904 0520	79,923	-
Crime Victim Assistance	16.575	VW 2025 0520	65,932	-
Crime Victim Assistance	16.575	UV 2005 0520	175,292	-
Subtotal 16.575			<u>393,933</u>	-
Total U.S. Department of Justice			<u>689,171</u>	-
U.S. Department of Transportation				
State Department of Transportation:				
Highway Planning and Construction	20.205	BRLO-5908(056)	6,478	-
Highway Planning and Construction	20.205	BRLO-5908(057)	25,929	-
Highway Planning and Construction	20.205	BRLOZB-5908(025)	39,689	-
Highway Planning and Construction	20.205	BRLSZD-5908(031)	7,870,138	-
Subtotal 20.205			<u>7,942,234</u>	-
State Department of Transportation:				
Formula Grants for Rural Areas and Tribal Transit Services	20.509	20-Unknown	672,665	-
Formula Grants for Rural Areas and Tribal Transit Services	20.509	20-Unknown	662,623	-
Subtotal 20.509			<u>1,335,288</u>	-
State Office of Traffic Safety:				
Federal Highway Safety Program	20.600	402EM-21	30,000	-
Subtotal 20.600			<u>30,000</u>	-
Total U.S. Department of Transportation			<u>9,307,523</u>	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF TEHAMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Federal Program/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
U.S. Department of the Treasury				
State Department of Finance:				
COVID 19 - Coronavirus Relief Fund	21.019	21-Unknown	6,640,501	\$ -
Total U.S. Department of the Treasury			6,640,501	-
U.S. Department of Education				
State Department of Health Services:				
Fund for the Improvement of Education	84.215	84-Unknown	128,596	-
Total U.S. Department of Education			128,596	-
Elections Assistance Commission				
Secretary of State:				
Help America Vote Act Requirement Payments	90.404	18G26152	2,423	-
Help America Vote Act Accessibility Training Program	90.404	20G26152	94,541	-
Subtotal 90.404			96,964	-
Total Elections Assistance Commission			96,964	-
U.S. Department of Health and Human Services				
State Department of Social Services:				
Guardianship Assistance	93.090	93-Unknown	9,171	-
Promoting Safe and Stable Families	93.556	93-Unknown	60,513	-
Temporary Assistance for Needy Families	93.558	93-Unknown	6,381,709	-
Community-Based Child Abuse Prevention Grants	93.590	93-Unknown	25,722	-
Adoption Incentive Payments	93.603	93-Unknown	74,633	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	93-Unknown	43,586	-
Foster Care - Title IV-E	93.658	93-Unknown	2,517,278	-
Adoption Assistance	93.659	93-Unknown	4,292,560	-
Social Services Block Grant	93.667	93-Unknown	112,068	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	93-Unknown	42,275	-
State Child Support Department:				
Child Support Enforcement	93.563	93-Unknown	1,200,706	-
State Department of Aging:				
Special Programs for the Aging - Title III, Part C -				
Nutrition Services	93.045	IIIC-080-15	233,088	-
Nutrition Services Incentive Program	93.053	IIIC-080-15	22,160	-
Total Aging Cluster			255,248	-
State Department of Mental Health Services:				
Behavioral Health Court Co-Occurring Drug Court	93.243	93-Unknown	325,199	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	93-Unknown	202,344	-
Subtotal 93.243			527,542	-
State Department of Alcohol and Drug Programs:				
Block Grants for Community Mental Health Services	93.959	93-Unknown	843,863	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF TEHAMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Federal Program/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services (Continued)				
State Department of Health Services:				
Public Health Emergency Preparedness	93.069	93-Unknown	108,082	\$ -
Childhood Lead Poisoning Prevention Projects - State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	18-10211	8,724	-
Immunization Cooperative Agreements	93.268	17-10072	51,571	-
Medical Assistance Program	93.778	93-Unknown	2,432,070	-
Healthy Families America Home Visiting Program	93.872	93-Unknown	288,276	-
National Bioterrorism Hospital Preparedness Program	93.889	93-Unknown	222,169	-
Maternal and Child Health Services Block Grant to the States	93.994	93-Unknown	41,253	-
State Department of Community Services and Development:				
Community Services Block Grant	93.569	21F-4049	89,263	-
Community Services Block Grant	93.569	20F-3049 (Dis)	32,000	-
Community Services Block Grant	93.569	20F-3688	242,636	-
Community Services Block Grant	93.569	20F-3049	207,562	-
Subtotal 93.569			571,461	-
State Department of Mental Health Services:				
Projects for Assistance in Transition from Homelessness (PATH)	93.150	93-Unknown	18,517	-
Block Grants for Community Mental Health Services	93.958	93-Unknown	337,766	-
COVID 19 - Coronavirus Aid, Relief and Economic Security Act (CARES) 2020 Epidemiology and Laboratory Capacity (ELC)				
COVID 19 - Coronavirus Aid, Relief and Economic Security Act (CARES)	93.323	93-Unknown	533,932	-
Subtotal 93.323			158,922	-
			692,854	-
COVID 19 - Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020				
	93.354	93-Unknown	199,689	-
Total U.S. Department of Health and Human Services			21,359,307	-
Department of Homeland Security				
State Emergency Management Agency:				
Emergency Management Performance Grants	97.042	2020-0006	108,850	-
Emergency Management Performance Grants	97.042	2019-0003	31,048	-
Subtotal 97.042			139,898	-
Homeland Security Grant Program	97.067	2019-0035	59,456	-
Homeland Security Grant Program	97.067	2018-0054	87,947	-
Subtotal 97.067			147,403	-
Total Department of Homeland Security			287,301	-
Total			42,544,069	\$ -

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF TEHAMA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2021

NOTE 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). The County 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.

NOTE 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 or US Treasury guidelines, wherein certain types of expenditures are not allowed or are limited as to reimbursements.

NOTE 3 INDIRECT COST RATE

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

NOTE 4 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
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

Section I – Summary of the Auditors' Results

Basic Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? x yes no
 - Significant deficiency(ies) identified? x yes none reported
3. Noncompliance material to basic financial statements noted? yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? yes x no
 - Significant deficiency(ies) identified? x yes none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? x yes no

Identification of Major Federal Programs

Federal Assistance Listing Numbers

20.205
20.509
21.019
93.778

Name of Federal Program or Cluster

Highway Planning and Construction
Formula Grants for Rural Communities
COVID 19 - Coronavirus Relief Fund
Medical Assistance Program

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 1,276,322

Auditee qualified as low-risk auditee?

 yes x no

**COUNTY OF TEHAMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section II – Financial Statement Findings

2021-001

Material Weakness in Internal Control over Financial Reporting
Year-end Accruals

Condition

During the audit an adjustment for \$355 thousand was proposed for an understatement of expenditures and accounts payable. In addition, net adjustments of \$1.2 million were proposed to correct an understatement of revenues and accounts receivable.

Criteria

Generally accepted accounting principles require that expenditures are recognized in the period incurred and that revenues are recognized in the period that they are both earned and available.

Cause

Although revenues and expenditures are monitored closely during the first month following year end, the review process after the first month is less detailed and wasn't sufficient to capture all additional accruals after July 31, 2021. In addition, information provided by departments was incomplete making it difficult to capture all year end accruals.

Repeat Finding

Repeat of Finding 2020-001

Effect

Material adjustments were necessary at year end to record revenues and expenditures in the appropriate period.

Recommendation

We recommend that the County implement additional review of transactions after the first month following year end. This review might include training accounts payable clerks to review invoices for potential accruals and additional communication with departments to be sure all necessary accruals are recorded at year end.

Views of responsible officials and planned corrective actions

There is no disagreement with this finding.

**COUNTY OF TEHAMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section II – Financial Statement Findings (Continued)

2021-002

Significant Deficiency in Internal Control over Financial Reporting
Investment Values

Condition

Year end investment values were recorded using investment statements as of May 30 rather than statements at the year-end date of June 30.

Criteria

Investment values presented in the year-end financial statements should be prepared using investment statements at that same date to ensure meaningful and accurate financial statements.

Cause

Year-end investment reporting was prepared using investment statements as of May 30 rather than as of the year end date of June 30.

Repeat Finding

Not a Repeat Finding.

Effect

The year end investment balance reflected in the financial statements was understated by approximately \$302 thousand.

Recommendation

We recommend that year end investment records used to prepare financial statements be prepared using investment statements as of the year end date.

Views of responsible officials and planned corrective actions

There is no disagreement with this finding.

**COUNTY OF TEHAMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section II – Financial Statement Findings (Continued)

2021-003

Material Weakness in Internal Control over Financial Reporting
Capitalized Maintenance Costs

Condition

The County identified chip seal maintenance costs of \$2.1 million that had been capitalized in prior fiscal years. A prior period adjustment was recorded to correct for these amounts.

Criteria

Maintenance costs on infrastructure assets should not be capitalized. Generally accepted accounting principles require that maintenance costs be expensed in the period incurred.

Cause

Costs Capitalized as infrastructure at year end were not subject to sufficient review to segregate maintenance costs included in the balance.

Repeat Finding

Not a Repeat Finding.

Effect

A material prior period adjustment was recorded to correct the balance equity and infrastructure presented in the financial statements.

Recommendation

The County identified the issue as a result of subsequent review of the balance. We recommend the County continue to review all costs being capitalized at year end to prevent the inclusion of any noncapitalizable maintenance costs.

Views of responsible officials and planned corrective actions

There is no disagreement with this finding.

**COUNTY OF TEHAMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Federal Award Findings and Questioned Costs

2021-004

Federal Agency: U.S. Department of Health and Human Services

Federal Program Title: Medical Assistance Program

Assistance Listing Number: 93.778

Pass-through Agency: State Department of Health Services

Pass-through Number: N/A

Award Period: July 1, 2020 to June 30, 2021

Type of Finding: Significant Deficiency in Internal Control Over Compliance, Other Matters

Criteria

Only individuals meeting all required eligibility criteria should receive program benefits.

Condition

During our audit we noted one individual who was receiving Medi-Cal assistance who did not meet all necessary eligibility criteria.

Questioned Costs

Cost of providing medical insurance benefit is unknown.

Context

We noted 1 individual from a sample of 60 cases who did not meet all eligibility requirements.

Cause

An individual who'd previously applied for social services benefits, other than Medi-Cal, was approved for Medi-Cal benefits because it was assumed that income verification had been previously performed. However, no prior income verification was performed for the individual.

Effect

An ineligible individual was granted Medi-Cal benefits.

Repeat Finding

Not a Repeat Finding.

Recommendation

We recommend that procedures be implemented to ensure that Medi-Cal income eligibility criteria are required to be verified in all cases prior to granting benefits.

**COUNTY OF TEHAMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Federal Award Findings and Questioned Costs (Continued)

Views of responsible officials and planned corrective actions

There is no disagreement with this finding.

SUPPLEMENTAL SCHEDULES

**COUNTY OF TEHAMA
SUPPLEMENTAL SCHEDULE
CALIFORNIA DEPARTMENT OF AGING (CDA)
YEAR ENDED JUNE 30, 2021**

A reconciliation of accrual basis expenditures as reported on the Financial Closeout Report to cash basis expenditures confirmed as of June 30, 2021, follows:

Program	Federal CFDA Number	Total Expenditures	Accrual Adjustments	Confirmed Amount
IIC-1 Congregate	93.045	\$ 80,018	\$ -	\$ -
IIC-1 Congregate Nutrition Services Incentive Program	93.053	7,965	-	-
IIC-2 Home Delivered Meals	93.045	153,070	-	-
IIC-2 Home Delivered Meals, Nutrition Services Incentive	93.053	14,195	-	-
Total Expenditures of CDA Federal Awards		<u>\$ 255,248</u>	<u>\$ -</u>	<u>\$ -</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	\$ 233,088	\$ -	\$ 233,088
93.053	22,160	-	22,160
Total	<u>\$ 255,248</u>	<u>\$ -</u>	<u>\$ 255,248</u>

**COUNTY OF TEHAMA
SUPPLEMENTAL SCHEDULE
CALIFORNIA EMERGENCY MANAGEMENT AGENCY
YEAR ENDED JUNE 30, 2021**

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, 2021. 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, 2020	For the Year Through June 30, 2021	Cumulative as of June 30, 2021	Federal Share	State Share	County Share
VW 1924 0520 - Victim Witness						
Assistance Program:						
Personal Services	\$ 181,825	\$ 60,750	\$ 242,575	\$ 60,750	\$ -	\$ -
Operating Expenses	29,592	12,036	41,628	12,036	-	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ 211,417</u>	<u>\$ 72,786</u>	<u>\$ 284,203</u>	<u>\$ 72,786</u>	<u>\$ -</u>	<u>\$ -</u>
UV 1904 0520 - Underserved						
Assistance Program:						
Personal Services	\$ 92,054	\$ 65,625	\$ 157,679	\$ 65,625	\$ -	\$ -
Operating Expenses	7,763	14,298	22,061	14,298	-	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ 99,817</u>	<u>\$ 79,923</u>	<u>\$ 179,740</u>	<u>\$ 79,923</u>	<u>\$ -</u>	<u>\$ -</u>
UV 2005 0520 - Underserved						
Victim Advocacy and Outreach Program:						
Personal Services	\$ -	\$ 175,292	\$ 175,292	\$ 175,292	\$ -	\$ -
Operating Expenses	-	10,874	10,874	-	10,784	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ -</u>	<u>\$ 186,166</u>	<u>\$ 186,166</u>	<u>\$ 175,292</u>	<u>\$ 10,784</u>	<u>\$ -</u>
VW 2025 0520 - Victim Witness						
Victim Advocacy and Outreach Program:						
Personal Services	\$ -	\$ 63,784	\$ 63,784	\$ 63,784	\$ -	\$ -
Operating Expenses	-	2,148	2,148	2,148	-	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ -</u>	<u>\$ 65,932</u>	<u>\$ 65,932</u>	<u>\$ 65,932</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF TEHAMA
SUPPLEMENTAL SCHEDULE
CALIFORNIA COMMUNITY SERVICES AND DEVELOPMENT
CSD CONTRACT NO. 20F-3049 (CSBG)
FOR THE PERIOD JANUARY 1, 2020 THROUGH DECEMBER 31, 2020**

	January 1 through June 30, 2020	July 1 through Dec. 31, 2020	Total Audited Costs	Total Reported Costs	Total Budget
REVENUE					
Grant Revenue	\$ -	\$ -	\$ -		\$ -
Total Revenue	<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>
EXPENDITURES					
Administrative Costs:					
Operating Expenses	6,430	3,491	9,921	\$ 9,921	-
Contract and Consultant Services	34,302	33,422	67,724	67,724	-
Total Administrative Costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	40,732	36,913	77,645	77,645	-
Program Costs:					
Salaries and Wages	16,622	32,815	49,437	49,437	-
Fringe Benefits	8,692	17,238	25,930	25,930	-
Operating Expenses	10,193	50,483	60,676	60,676	-
Subcontractor and Consultant Services	10,586	70,113	80,699	80,699	-
Total Program Costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	46,093	170,649	216,742	216,742	-
Total Expenses	<u>\$ 86,825</u>	<u>\$ 207,562</u>	<u>\$ 294,387</u>	<u>\$ 294,387</u>	<u>\$ -</u>

**COUNTY OF TEHAMA
SUPPLEMENTAL SCHEDULE
CALIFORNIA COMMUNITY SERVICES AND DEVELOPMENT
CSD CONTRACT NO. 20F-3688 (CSBG)
FOR THE PERIOD JUNE 1, 2020 THROUGH MAY 31, 2021**

	Nov 1, 2020 through June 30, 2021	Total Audited Costs	Total Reported Costs	Total Budget
REVENUE				
Grant Revenue	\$ -	\$ -		\$ -
Total Revenue	-	-		-
EXPENDITURES				
Administrative Costs:				
Operating Expenses	2,171	2,171	\$ 2,171	-
Contract and Consultant Services	1,153	1,153	1,153	-
Total Administrative Costs	3,324	3,324	3,324	-
Program Costs:				
Salaries and Wages	16,522	16,522	16,522	-
Fringe Benefits	3,173	3,173	3,173	-
Operating Expenses	219,617	219,617	219,617	-
Subcontractor and Consultant Services	-	-	-	-
Total Program Costs	239,312	239,312	239,312	-
 Total Expenses	 \$ 242,636	 \$ 242,636	 \$ 242,636	 \$ -

**COUNTY OF TEHAMA
SUPPLEMENTAL SCHEDULE
CALIFORNIA COMMUNITY SERVICES AND DEVELOPMENT
CSD CONTRACT NO. 21F-4049 (CSBG)
FOR THE PERIOD JANUARY 1, 2021 THROUGH JUNE 30, 2021**

	January 1 through June 30, 2021	Total Audited Costs	Total Reported Costs	Total Budget
REVENUE				
Grant Revenue	\$ -	\$ -		\$ -
Total Revenue	-	-		-
EXPENDITURES				
Administrative Costs:				
Operating Expenses	6,218	6,218	\$ 6,218	-
Contract and Consultant Services	28,046	28,046	28,046	-
Total Administrative Costs	34,264	34,264	34,264	-
Program Costs:				
Salaries and Wages	22,031	22,031	22,031	-
Fringe Benefits	8,927	8,927	8,927	-
Operating Expenses	12,251	12,251	12,251	-
Subcontractor and Consultant Services	11,790	11,790	11,790	-
Total Program Costs	54,999	54,999	54,999	-
 Total Expenses	 \$ 89,263	 \$ 89,263	 \$ 89,263	 \$ -

**COUNTY OF TEHAMA
SUPPLEMENTAL SCHEDULE
CALIFORNIA COMMUNITY SERVICES AND DEVELOPMENT
CSD CONTRACT NO. 20F-3049 DISCRETIONARY (CSBG)
FOR THE PERIOD JANUARY 1, 2021 THROUGH JUNE 30, 2021**

	February 1 through June 30, 2021	Total Audited Costs	Total Reported Costs	Total Budget
REVENUE				
Grant Revenue	\$ -	\$ -		\$ -
Total Revenue	-	-		-
EXPENDITURES				
Administrative Costs:				
Operating Expenses	-	-	\$ -	-
Contract and Consultant Services	-	-	-	-
Total Administrative Costs	-	-	-	-
Program Costs:				
Salaries and Wages	18,807	18,807	18,807	-
Fringe Benefits	1,493	1,493	1,493	-
Operating Expenses	11,700	11,700	11,700	-
Subcontractor and Consultant Services	-	-	-	-
Total Program Costs	32,000	32,000	32,000	-
Total Expenses	\$ 32,000	\$ 32,000	\$ 32,000	\$ -

LEROY M. ANDERSON
Auditor-Controller



KRISTA K. PETERSON
Assistant Auditor-Controller

TEHAMA COUNTY AUDITOR-CONTROLLER

April 23, 2021

RE: Federal Award Findings and Questioned Costs
Fiscal Year Ending June 30, 2021

2021-001 Year-End Accruals

AUDITOR RECOMMENDATION

We recommend that the County implement additional review of transactions after the first month following year end. This review might include training accounts payable clerks to review invoices for potential accruals and additional communication with departments to be sure the Auditor Controller's Office is able to record any additional accruals.

AUDITOR'S EXPLANATION

The County has a 31-day accrual period and makes every effort to finalize activity shortly thereafter so we can calculate Fund Balance Available for budgeting purposes. Unfortunately, a large bill from the Road Department was paid in mid-August and was not picked up as an accounts payable item.

In addition, during the course of field work, it was discovered that the Health Agency, due to severe lack of staff, neglected to add revenues still due from state or federal agencies to their list of monies not yet received as of July 31, 2021.

CORRECTIVE ACTION

Our office will continue communications with other departments at year-end in an attempt to identify expenditures incurred, but not yet claimed for reimbursement. Because we don't handle claiming for departments it is difficult to know that all receivables have been accounted for and we are at the department's mercy for complete reporting.

We will also take notice of August activity for monies received and expensed to capture receivables and payables that didn't meet the July 31 deadline. In addition, we will educate staff who are responsible for auditing claims to watch for the above items so we can recognize them as necessary.

CONTACT PERSON RESPONSIBLE FOR CORRECTIVE ACTION

- Krista Peterson – Assistant Auditor-Controller
- Francine Magee – Auditor Accountant

COMPLETION DATE

June 30, 2022

PARKER R. HUNT
Treasurer-Tax Collector



LORRIE BROWN
Asst. Treasurer-Tax Collector

TEHAMA COUNTY TREASURER-TAX COLLECTOR

4/15/2022

TO: CliftonLarsonAllen

RE: 2021 Financial Audit Findings

2021-002 Investment Values

Recommendation: We recommend that year end investments records used to prepare financial statements be prepared using investment statements as of the year end date.

Explanation or disagreement with audit finding: There is no disagreement with the audit finding. The new Treasurer/Tax Collector is closely examining past administration practices for GAAP compliance.

Action taken in response to finding: The County will present year end investments using the June 30 investment statements.

Name(s) of the contact person(s) responsible for the corrective action:
Parker R. Hunt, Treasurer/Tax Collector

Planned completion date for corrective action plan: June 30, 2022



**COUNTY OF TEHAMA
DEPARTMENT OF PUBLIC WORKS**

9380 San Benito Avenue
Gerber, CA 96035-9701
(530) 385-1462
(530) 385-1189 Fax

Road Commissioner
Surveyor
Engineer
Public Transit
Flood Control & Water
Conservation District
Sanitation District No. 1

2021-003 CAPITALIZED MAINTENANCE COSTS

Recommendation: We recommend that all costs being capitalized at year end be reviewed for the inclusion of any non-capitalizable maintenance costs prior to recording.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The County will expense maintenance costs in the year they are incurred.

Name of the contact person responsible for the Corrective Action: Jim Simon, Public Works Director

Planned Completion date for the Corrective Action Plan: June 30, 2022

TEHAMA COUNTY PUBLIC WORKS

James N. Simon
Director



Tehama County
SOCIAL SERVICES
ASSIST • EMPOWER • PROTECT

April 22, 2022

RE: Federal Award Findings and Questioned Costs
Fiscal Year Ended June 30, 2021

2021-004 Medi-Cal Eligibility

AUDITOR RECOMMENDATION

We recommend that procedures be implemented to ensure that Medi-Cal income eligibility criteria are required to be verified in all cases prior to granting benefits.

SOCIAL SERVICES' EXPLANATION

Of the 60 Medi-Cal cases randomly selected for auditor review, one case was identified to contain an individual for whom Medi-Cal was granted in error.

This individual applied for CalWORKs for her grandson only, and the individual was considered a non-needy relative. No verifications are required for the non-needy, unaided individual. CalWORKs is a program that has an automatic Medi-Cal benefit, and does not require separate application.

Non-Needy CalWORKs requires that an adult be included in the case, as benefits cannot be issued to a child. Medi-Cal automatically opens a pending from for the case. A program box opened for the grandmother, which should have been denied; however, it was erroneously approved.

ACTION

Following discovery of this error, the Medi-Cal granted to the grandmother has been discontinued by Social Services.

Additionally, Social Services will provide training to Eligibility Specialists on the correct processing of CalWORKs non-needy cases.

EFFECT

Year-end financial statements do not include Medi-Cal or CalWORKs eligibility case information. Therefore, there are no misstatements or adjustments needed in financial statements due to this error.

CONTACT PERSONS RESPONSIBLE FOR CORRECTIVE ACTION

- Tara Loucks-Shepherd, Program Manager, CalWORKs+ Branch
- Shelley Zimmerman, Deputy Director of Fiscal

COMPLETION DATE FOR CORRECTION ACTION: June 30, 2022