

**COUNTY OF TEHAMA,
CALIFORNIA**

**SINGLE AUDIT REPORT
AND SUPPLEMENTAL SCHEDULES**

YEAR ENDED JUNE 30, 2022



CPAs | CONSULTANTS | WEALTH ADVISORS

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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 the County of Tehama (County) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise County's basic financial statements, and have issued our report thereon dated March 14, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered County of Tehama'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 County of Tehama's internal control. Accordingly, we do not express an opinion on the effectiveness of County of Tehama's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and recommendations as item 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

County of Tehama’s Response to Finding

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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
March 14, 2023



**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

Opinion on 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, 2022. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of County of Tehama and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding County of Tehama's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 14, 2023, 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises Supplementary Schedules of the Department of Community Services and Development and the California Department of Aging but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

Board of Supervisors
County of Tehama

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Roseville, California
March 22, 2023

**COUNTY OF TEHAMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022**

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	AP20PPQFO000C540	\$ 2,202	\$ -
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP21PPQFO000C411	3,385	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP21PPQFO000C001	20,789	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP21PPQFO000C240	7,842	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP21PPQFO000C061	9,052	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP21PPQFO000C176	1,072	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP22PPQFO000C176	14,539	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP2299QFO000C001	9,437	-
Subtotal 10.025			68,318	-
State Department of Education:				
School Breakfast Program	10.553	02951-SN-52-R	13,144	-
National School Lunch Program	10.555	02951-SN-52-R	20,940	-
Total Child Nutrition Cluster			34,084	-
State Department of Health Services:				
WIC - Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	15-10122 WIC	667,022	-
Subtotal 10.557			667,022	-
State Department of Social Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		1,928,967	-
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		45,161	-
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	215-2012 NEOP	25,175	-
Total SNAP Cluster			1,999,303	-
State Controller's Office:				
Cooperative Forestry Assistance	10.664	7FG20218	18,434	-
Schools and Road - Grants to Counties	10.666		434,054	-
Total Forest Service Schools and Roads Cluster			434,054	-
Total U.S. Department of Agriculture			3,221,215	-
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	45,337	-
CDBG-Non Housing - Compen (2018)	14.228	18-CDBG-12935	172,991	-
CDBG-Non Housing - Compen (2018)	14.228	18-CDBG-12936	94,275	-
Total U.S. Department of Housing and Urban Development			312,603	-
U.S. Department of the Interior				
Direct Program:				
Payments in Lieu of Taxes	15.226	-	938,731	-
Total U.S. Department of the Interior			938,731	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF TEHAMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

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		\$ 13,690	\$ -
Direct Program:				
COVID 19 - Coronavirus Emergency Supplemental Funding Program	16.034		15,595	-
Subtotal 16.034			<u>15,595</u>	<u>-</u>
Passed through Drug Enforcement Administration				
Domestic Cannabis Eradication/Suppression Program	16.022	2022-51	5,066	-
Board of State and Community Corrections:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	BSCC 641-19	138,052	-
Subtotal 16.738			<u>138,052</u>	<u>-</u>
State Emergency Management Agency:				
Crime Victim Assistance	16.575	VW 2126 0520	150,000	-
Crime Victim Assistance	16.575	UV 2106 0520	53,807	-
Crime Victim Assistance	16.575	VW 2025 0520	103,679	-
Crime Victim Assistance	16.575	UV 2005 0520	87,110	-
Subtotal 16.575			<u>394,596</u>	<u>-</u>
Total U.S. Department of Justice			566,999	-
U.S. Department of Transportation				
State Department of Transportation:				
Highway Planning and Construction	20.205	SRTSL-5908(092)	571,248	-
Highway Planning and Construction	20.205	RPSTPL-5908(102)	31,930	-
Highway Planning and Construction	20.205	RPSTPL-5908(100)	115,618	-
Highway Planning and Construction	20.205	HSIPL-5908(104)	22,016	-
Highway Planning and Construction	20.205	HSIPL-5908(105)	20,269	-
Highway Planning and Construction	20.205	BRLOZB-5908(025)	139,742	-
Highway Planning and Construction	20.205	BRLSZD-5908(031)	16,840,368	-
Total Highway Planning and Construction Cluster			<u>17,741,191</u>	<u>-</u>
State Department of Transportation:				
Formula Grants for Rural Areas and Tribal Transit Services	20.509		1,257,707	-
Subtotal 20.509			<u>1,257,707</u>	<u>-</u>
State Office of Traffic Safety:				
Federal Highway Safety Program	20.600	402EM-22	60,000	-
Total Highway Safety Cluster			<u>60,000</u>	<u>-</u>
Total U.S. Department of Transportation			<u>19,058,898</u>	<u>-</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, 2022**

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:				
Equitable Sharing	21.016		\$ 16,183	\$ -
Total U.S. Department of the Treasury			<u>16,183</u>	<u>-</u>
U.S. Department of Education				
Passed through State Department of Health Services				
Innovative Approaches to Literacy, Full-service Community Schools; and Promise Neighborhoods	84.215		71,713	-
Total U.S. Department of Education			<u>71,713</u>	<u>-</u>
U.S. Department of Health and Human Services				
State Department of Social Services:				
Guardianship Assistance	93.090		8,248	-
Promoting Safe and Stable Families	93.556		42,471	-
Temporary Assistance for Needy Families	93.558		5,922,801	-
Community-Based Child Abuse Prevention Grants	93.590		20,231	-
Adoption Incentive Payments	93.603		5,753	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645		56,767	-
Foster Care - Title IV-E	93.658		2,408,307	-
Adoption Assistance	93.659		4,678,571	-
Social Services Block Grant	93.667		149,424	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674		44,801	-
State Child Support Department:				
Child Support Enforcement	93.563		1,287,166	-
State Department of Aging:				
Special Programs for the Aging - Title III, Part C -				
Nutrition Services	93.045	IIIC-080-15	358,135	-
Nutrition Services Incentive Program	93.053	IIIC-080-15	23,592	-
Total Aging Cluster			<u>381,727</u>	<u>-</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, 2022**

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 Mental Health Services:				
Behavioral Health Court Co-Occurring Drug Court Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243		\$ 380,182	\$ -
Subtotal 93.243			<u>218,777</u>	<u>-</u>
			598,959	-
State Department of Alcohol and Drug Programs:				
Block Grants for Community Mental Health Services	93.959		706,787	-
State Department of Health Services:				
Public Health Emergency Preparedness	93.069		91,376	-
Childhood Lead Poisoning Prevention Projects - State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	18-10211	2,061	-
Immunization Cooperative Agreements	93.268	17-10072	66,819	-
Elder Abuse Prevention Intervention Projects	93.747		4,846	-
Medical Assistance Program	93.778		<u>2,199,341</u>	<u>-</u>
Total Medicaid Cluster			2,199,341	-
Healthy Families America Home Visiting Program	93.872		325,099	-
Hospital Preparedness Program (HPP)	93.889		150,374	-
Maternal and Child Health Services Block Grant to the States	93.994		21,562	-
State Department of Community Services and Development:				
Community Services Block Grant	93.569	21F-4049	207,121	-
Community Services Block Grant	93.569	20F-3688	196,980	-
Community Services Block Grant	93.569	22F-5049	96,764	-
Community Services Block Grant	93.569	21F-4450	<u>28,250</u>	<u>-</u>
Subtotal 93.569			529,115	-
State Department of Mental Health Services:				
Projects for Assistance in Transition from Homelessness (PATH)	93.150		16,355	-
Block Grants for Community Mental Health Services	93.958		216,135	-
COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases	93.323		<u>976,632</u>	<u>-</u>
Subtotal 93.323			<u>976,632</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>20,911,728</u>	<u>-</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, 2022**

Federal Program/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
Department of Homeland Security				
State Emergency Management Agency:				
Emergency Management Performance Grants	97.042	2020-0019	\$ 79,914	\$ -
Emergency Management Performance Grants	97.042	2020-0006	29,105	-
Emergency Management Performance Grants	97.042	2019-003	24,316	-
Emergency Management Performance Grants	97.042	2021-0015	29,387	-
Emergency Management Performance Grants	97.042	2021-0014	37,757	-
Subtotal 97.042			200,479	-
 Homeland Security Grant Program	 97.067	 2019-00035	 23,549	 -
Subtotal 97.067			23,549	-
 Total Department of Homeland Security			 224,028	 -
 Total			 \$ 45,322,098	 \$ -

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF TEHAMA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2022

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 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, 2022**

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? yes x 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? yes x 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)? yes x no

Identification of Major Federal Programs

Federal Assistance Listing Numbers

10.561
20.205
93.778

Name of Federal Program or Cluster

Supplemental Nutrition Assistance Program
Highway Planning and Construction
Medical Assistance Program

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

\$ 1,359,663

Auditee qualified as low-risk auditee?

 yes x no

**COUNTY OF TEHAMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Section II – Financial Statement Findings

2022-001

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

Condition

During the audit an adjustment for \$509 thousand was proposed for an understatement of expenditures and accounts payable. In addition, net adjustments of \$449 thousand were proposed to correct an understatement of unavailable revenue and accounts receivable at the governmental fund level and an understatement of revenue and accounts receivable in the governmental activities.

Criteria

Accounting principles generally accepted in the United States of America require that expenditures are recognized in the period incurred and that receivables are recognized in the period that they are earned and measurable at the governmental activities level. However, revenue is not recorded until it is available at the governmental fund level.

Cause

Although revenues and expenditures are monitored closely during year end closing, the County was not able to capture all accruals after June 30, 2022. In addition, information provided by departments was incomplete making it difficult to capture all year end accruals.

Repeat Finding

Repeat of Finding 2021-001

Effect

Material adjustments were necessary at year-end to record receivables, unavailable revenue and expenditures in the appropriate period in the governmental funds and receivables, revenue and expenses in the governmental activities.

Recommendation

We recommend that the County continue to review transactions recorded after year end for potential accruals. 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, 2022**

Section III – Federal Award Findings and Questioned Costs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

SUPPLEMENTAL SCHEDULES

**COUNTY OF TEHAMA
SUPPLEMENTAL SCHEDULE
CALIFORNIA DEPARTMENT OF AGING (CDA)
YEAR ENDED JUNE 30, 2022**

A reconciliation of accrual basis expenditures as reported on the Financial Closeout Report to cash basis expenditures confirmed as of June 30, 2022, follows:

Program	Federal CFDA Number	Total Expenditures	Accrual Adjustments	Confirmed Amount
IIC-1 Congregate	93.045	\$ 136,392	\$ -	\$ -
IIC-1 Congregate Nutrition Services Incentive Program	93.053	9,828	-	-
IIC-2 Home Delivered Meals	93.045	221,743	-	-
IIC-2 Home Delivered Meals, Nutrition Services Incentive	93.053	13,764	-	-
Total Expenditures of CDA Federal Awards		<u>\$ 381,727</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.

Federal CFDA No.	Federal Expenditures	State Expenditures	Total
93.045	\$ 358,135	\$ -	\$ 358,135
93.053	23,592	-	23,592
Total	<u>\$ 381,727</u>	<u>\$ -</u>	<u>\$ 381,727</u>

**COUNTY OF TEHAMA
SUPPLEMENTAL SCHEDULE
CALIFORNIA COMMUNITY SERVICES AND DEVELOPMENT
CSD CONTRACT NO. 22F-5049 (CSBG)
FOR THE PERIOD JANUARY 1, 2022 THROUGH JUNE 30, 2022**

	January 1 through June 30, 2022	Total Audited Costs	Total Reported Costs	Total Budget
REVENUE				
Grant Revenue	\$ -	\$ -		\$ -
Total Revenue	-	-		-
EXPENDITURES				
Administrative Costs:				
Operating Expenses	\$ 1,500	1,500	1,500	-
Contract and Consultant Services	16,673	16,673	16,673	-
Total Administrative Costs	18,173	18,173	18,173	-
Program Costs:				
Salaries and Wages	27,460	27,460	27,460	-
Fringe Benefits	11,797	11,797	11,797	-
Operating Expenses	14,374	14,374	14,374	-
Subcontractor and Consultant Services	24,960	24,960	24,960	-
Total Program Costs	78,591	78,591	78,591	-
Total Expenses	\$ 96,764	\$ 96,764	\$ 96,764	\$ -

**COUNTY OF TEHAMA
SUPPLEMENTAL SCHEDULE
CALIFORNIA COMMUNITY SERVICES AND DEVELOPMENT
CSD CONTRACT NO. 21F-4450 (CSBG)
FOR THE PERIOD JULY 1, 2021 THROUGH MAY 31, 2022**

	July 1 through May 31, 2022	Total Audited Costs	Total Reported Costs	Total Budget
REVENUE				
Grant Revenue	\$ 28,315	\$ 28,315		\$ -
Total Revenue	<u>28,315</u>	<u>28,315</u>		<u>-</u>
EXPENDITURES				
Administrative Costs:				
Operating Expenses	\$ -	\$ -	\$ -	\$ -
Contract and Consultant Services	-	-	-	-
Total Administrative Costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Program Costs:				
Salaries and Wages	\$ -	\$ -	\$ -	\$ -
Fringe Benefits	-	-	-	-
Operating Expenses	14,250	14,250	14,250	-
Subcontractor and Consultant Services	14,000	14,000	14,000	-
Total Program Costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Program Costs	<u>28,250</u>	<u>28,250</u>	<u>28,250</u>	<u>-</u>
Total Expenses	<u>\$ 28,250</u>	<u>\$ 28,250</u>	<u>\$ 28,250</u>	<u>\$ -</u>

**COUNTY OF TEHAMA
SUPPLEMENTAL SCHEDULE
CALIFORNIA COMMUNITY SERVICES AND DEVELOPMENT
CSD CONTRACT NO. 21F-4049 (CSBG)
FOR THE PERIOD JANUARY 1, 2021 THROUGH DECEMBER 31, 2021**

	January 1 through June 30, 2021	July 1 through December 31, 2021	Total Audited Costs	Total Reported Costs	Total Budget
REVENUE					
Grant Revenue	\$ 89,418	\$ 207,152	\$ -		\$ -
Total Revenue	<u>89,418</u>	<u>207,152</u>	<u>-</u>		<u>-</u>
EXPENDITURES					
Administrative Costs:					
Operating Expenses	\$ 6,218	\$ 42,469	\$ 48,687	\$ 48,687	\$ -
Contract and Consultant Services	28,046	28,475	56,521	56,521	-
Total Administrative Costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	34,264	70,944	105,208	105,208	-
Program Costs:					
Salaries and Wages	22,031	24,349	46,380	46,380	-
Fringe Benefits	8,927	12,128	21,055	21,055	-
Operating Expenses	12,251	62,700	74,951	74,951	-
Subcontractor and Consultant Services	11,790	37,000	48,790	48,790	-
Total Program Costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	54,999	136,177	191,176	191,176	-
Total Expenses	<u>\$ 89,263</u>	<u>\$ 207,121</u>	<u>\$ 296,384</u>	<u>\$ 296,384</u>	<u>\$ -</u>

**COUNTY OF TEHAMA
SUPPLEMENTAL SCHEDULE
CALIFORNIA COMMUNITY SERVICES AND DEVELOPMENT
CSD CONTRACT NO. 20F-3688 (CSBG)
FOR THE PERIOD JULY 1, 2020 THROUGH MAY 31, 2022**

	July 1 through June 30, 2021	July 1 through May 31, 2022	Total Audited Costs	Total Reported Costs	Total Budget
REVENUE					
Grant Revenue	\$ 243,173	\$ 156,610	\$ -		\$ -
Total Revenue	<u>243,173</u>	<u>156,610</u>	<u>-</u>		<u>-</u>
EXPENDITURES					
Administrative Costs:					
Operating Expenses	\$ 2,171	\$ 1,238	\$ 3,409	\$ 3,409	\$ -
Contract and Consultant Services	1,153	882	2,035	2,035	-
Total Administrative Costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	3,324	2,120	5,444	5,444	-
Program Costs:					
Salaries and Wages	\$ 16,522	\$ 6,425	\$ 22,947	\$ 22,947	\$ -
Fringe Benefits	3,173	4,775	7,948	7,948	-
Operating Expenses	219,617	183,660	403,277	403,277	-
Subcontractor and Consultant Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Program Costs	<u>239,312</u>	<u>194,860</u>	<u>434,172</u>	<u>434,172</u>	<u>-</u>
Total Expenses	<u>\$ 242,636</u>	<u>\$ 196,980</u>	<u>\$ 439,616</u>	<u>\$ 439,616</u>	<u>\$ -</u>

KRISTA PETERSON
Auditor-Controller



JULIEANNE MANNING
Assistant Auditor-Controller

TEHAMA COUNTY AUDITOR-CONTROLLER

March 23, 2023

RE: Financial Statement Audit Findings

Fiscal Year Ending June 30, 2022

FINDINGS—FINANCIAL STATEMENT AUDIT

MATERIAL WEAKNESS

2022 - 001 Material Weakness in Internal Control over Year-end Accruals

Recommendation:

We recommend that the County continue to review transactions recorded after year end for potential accruals. 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.

Explanation of disagreement with audit finding:

While the Auditor's office doesn't necessarily disagree with the finding, I would like to note that the County's accrual period has been 31 days, or July 31st, for the past several years and this has not changed.

Action taken in response to finding:

The Auditor's office continues to make great efforts to identify all activity in the month of August. Unfortunately, two invoices from the Road Department went unnoticed, as did one Sales Tax receipt. Instruction has been given to staff to include the dates in the description field of the expenditure for all items pertaining to the prior fiscal year. This will help those tasked with entering the accruals to identify prior year activity. The deposit templates have also been changed to include the period for which the Sales Tax is collected.

Name(s) of the contact person(s) responsible for corrective action:

Krista Peterson – Auditor-Controller

Francine Magee – Auditor Accountant

Accounts Payable Staff

Planned completion date for corrective action plan: Implemented, but finetuning process for the next fiscal year end

KRISTA PETERSON
Auditor-Controller



JULIEANNE MANNING
Assistant Auditor-Controller

TEHAMA COUNTY AUDITOR-CONTROLLER

March 23, 2023

RE: Prior Year Financial Statement Audit Findings

Fiscal Year Ending June 30, 2022

FINDINGS—FINANCIAL STATEMENT AUDIT

2021 – 001 Year End Accruals

Condition: 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.

Status: Implemented the corrective action, but finetuning processes

Reason for finding's recurrence: Although a corrective action plan was put in place, a few items still went through unnoticed. The department will continue to work on the process to better identify prior year revenues and expenditures in the month of August.

Corrective Action: The Auditor's office continues to make great efforts to identify all activity in the month of August. Unfortunately, two invoices from the Road Department went unnoticed, as did one Sales Tax receipt. Instruction has been given to staff to include the dates in the description field of the expenditure for all items pertaining to the prior fiscal year. This will help those tasked with entering the accruals to identify prior year activity. The deposit templates have also been changed to include the period for which the Sales Tax is collected.

2021 – 002 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.

Status: Corrective action was taken.

2021 – 003 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.

Status: Corrective action was taken.

FINDINGS— FEDERAL AWARD PROGRAMS AUDITS

2021 – 004 Medical

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

Status: Corrective action was taken.



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