

**COUNTY OF TEHAMA,
CALIFORNIA**

**SINGLE AUDIT REPORT
AND SUPPLEMENTAL SCHEDULES**

YEAR ENDED JUNE 30, 2023



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**COUNTY OF TEHAMA
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2023**

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 <i>GOVERNMENT AUDITING STANDARDS</i>	1
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	3
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	7
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	11
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	12
SUPPLEMENTAL SCHEDULES	
SUPPLEMENTAL SCHEDULE – CALIFORNIA DEPARTMENT OF AGING (CDA)	18
SUPPLEMENTAL SCHEDULES – CALIFORNIA COMMUNITY SERVICES AND DEVELOPMENT	19



**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, 2023, and the related notes to the financial statements, which collectively comprise County's basic financial statements, and have issued our report thereon dated March 27, 2024.

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 certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001, 2023-002, and 2023-003 that we consider to be material weaknesses.

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 Findings

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 questioned costs. 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 27, 2024



**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, 2023. 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, 2023.

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, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 27, 2024, 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 27, 2024

**COUNTY OF TEHAMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023**

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				
Passed through State Department of Food and Agriculture:				
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP21PPQFO000C411	\$ 522	\$ -
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP22PPQFO000C061	6,788	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP22PPQFO000C414	3,598	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP23PPQFO000C414	309	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP22PPQFO000C397	3,785	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP23PPQFO000C378	12,488	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP22PPQFO000C001	19,171	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP2399QFO000C001	7,850	-
Subtotal 10.025			54,511	-
Passed through State Department of Education:				
School Breakfast Program	10.553	02951-SN-52-R	26,028	-
National School Lunch Program	10.555	02951-SN-52-R	31,298	-
Total Child Nutrition Cluster			57,326	-
Passed through State Department of Health Services:				
WIC - Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	15-10122 WIC	836,509	-
Subtotal 10.557			836,509	-
Passed through State Department of Social Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		2,319,192	-
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		1,774	-
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	215-2012 NEOP	129,725	-
Total SNAP Cluster			2,450,691	-
Passed through State Controller's Office:				
Cooperative Forestry Assistance	10.698	7GF22322	20,000	-
USDA, Forest Srv Mendocino Natl Forest	10.667	21-LE-11051360-009	32,000	-
Schools and Road - Grants to Counties	10.666	10-Unknown	473,109	-
Total Forest Service Schools and Roads Cluster			525,109	-
Total U.S. Department of Agriculture			3,924,146	-
U.S. Department of Housing and Urban Development				
Passed through State Emergency Management Agency:				
COVID-19 Corona Virus , Relief and Economic Security/CDBG CV-1	14.228	CDBG-CV1-00033	335,182	335,182
COVID-19 Corona Virus , Relief and Economic Security/CDBG CV2/3	14.228	18-CDBG-12935	1,565,752	1,559,645
CDBG-Non Housing - Compen (2018)	14.228	18-CDBG-12936	2,601	-
Subtotal 14.228			1,903,535	1,894,827
Total U.S. Department of Housing and Urban Development			1,903,535	1,894,827
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, 2023**

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		\$ 7,375	\$ -
Passed through Drug Enforcement Administration:				
Domestic Cannabis Eradication/Suppression Program	16.022	2023-51	557	-
Domestic Cannabis Eradication/Suppression Program	16.022	2022-51	16,514	-
Subtotal 16.022			<u>17,071</u>	<u>-</u>
Passed through Board of State and Community Corrections:				
Edward Byrne Memorial Justice Assistance	16.738	BSCC 5229	47,040	-
Edward Byrne Memorial Justice Assistance	16.738	BSCC 641-19	135,351	-
Subtotal 16.738			<u>182,391</u>	<u>-</u>
Passed through State Emergency Management Agency:				
Crime Victim Assistance	16.575	VW 2227 0520	192,262	-
Crime Victim Assistance	16.575	VW 2126 0520	27,524	-
Crime Victim Assistance	16.575	UV 2106 0520	95,361	-
Subtotal 16.575			<u>315,147</u>	<u>-</u>
Total U.S. Department of Justice			521,984	-
U.S. Department of Transportation				
Passed through State Department of Transportation:				
Highway Planning and Construction	20.205	SRTSL-5908(092)	28,299	-
Highway Planning and Construction	20.205	RPSTPL-5908(102)	13,790	-
Highway Planning and Construction	20.205	RPSTPL-5908(100)	445,834	-
Highway Planning and Construction	20.205	HSIPL-5908(104)	8,782	-
Highway Planning and Construction	20.205	HSIPL-5908(105)	4,425	-
Highway Planning and Construction	20.205	HSIPL-5908(106)	10,057	-
Highway Planning and Construction	20.205	BRLKS-5908(029)	3,715	-
Highway Planning and Construction	20.205	BRLOZB-5908(025)	2,870,348	-
Highway Planning and Construction	20.205	BRLSZD-5908(031)	3,281,335	-
Highway Planning and Construction	20.205	BRLO-5908(056)	85,511	-
Highway Planning and Construction	20.205	BRLO-5908(057)	112,750	-
Subtotal 20.205			<u>6,864,846</u>	<u>-</u>
Passed through State Department of Transportation:				
CRRSAA (Seniors & Individuals with Disabilities)	20.509		37,674	-
COVID-19 CARES Act (Rural Area Formula)	20.509		128,184	-
Subtotal 20.509			<u>165,858</u>	<u>-</u>
Passed through State Office of Traffic Safety:				
Federal Highway Safety Program	20.600	402EM-22	37,542	-
Total Highway Safety Cluster			<u>37,542</u>	<u>-</u>
Total U.S. Department of Transportation			7,068,246	-
U.S. Department of the Treasury				
Passed through State Department of Finance:				
COVID-19 Coronavirus State & Local Fiscal Recovery Funds	21.027		3,842,965	-
COVID-19 LATCF Local Asst and Tribal Consistency Fund	21.032		109,293	-
Federal Asset Seizure	21.016		3,131	-
Total U.S. Department of the Treasury			3,955,389	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF TEHAMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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				
Passed through State Department of Social Services:				
Guardianship Assistance	93.090		\$ 7,961	\$ -
Guardianship Assistance	93.090		11,033	-
Subtotal 93.090			18,994	-
Promoting Safe and Stable Families	93.556		49,744	-
Temporary Assistance for Needy Families	93.558		11,489,243	-
Community-Based Child Abuse Prevention Grants	93.590		26,498	-
Adoption Incentive Payments	93.603		24,000	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645		39,783	-
Foster Care - Title IV-E	93.658		2,478,305	-
Adoption Assistance	93.659		5,072,660	-
Social Services Block Grant	93.667		149,424	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674		50,319	-
Passed through State Child Support Department:				
Child Support Enforcement	93.563		1,296,990	-
Passed through State Department of Aging:				
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	IIIC-080-15	128,004	-
Nutrition Services Incentive Program	93.053	IIIC-080-15	22,247	-
Total Aging Cluster			150,251	-
Passed through State Department of Mental Health Services:				
Behavioral Health Court Co-Occurring Drug Court Substance Abuse and Mental Health Services	93.243		396,081	-
Projects of Regional and National Significance	93.243		259,150	-
Subtotal 93.243			655,231	-
Passed through State Department of Alcohol and Drug Programs:				
Block Grants for Community Mental Health Services	93.959		642,254	-
Passed through State Department of Health Services:				
Public Health Emergency Preparedness	93.069		53,581	-
Childhood Lead Poisoning Prevention Projects - State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	18-10211	23,393	-
Immunization Cooperative Agreements	93.268	17-10072	217,166	-
COVID-19 APS/ARPA	93.747		3,161	-
APS/CSBG	93.747	APS Covid	14,316	-
Subtotal 93.747			17,477	-
Medical Assistance Program	93.778		2,445,712	-
Total Medicaid Cluster			2,445,712	-
Healthy Families America Home Visiting Program	93.872		386,744	-
Hospital Preparedness Program (HPP)	93.889		140,001	-
Maternal and Child Health Services Block Grant to the States	93.994		103,504	-
Passed through State Department of Community Services and Development:				
Community Services Block Grant	93.569	23F-4049	101,203	-
Community Services Block Grant	93.569	22F-5049	203,542	-
Community Services Block Grant	93.569	22F-5049	31,000	-
Subtotal 93.569			335,745	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF TEHAMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2023

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				
Passed through State Department of Mental Health Services:				
Projects for Assistance in Transition from Homelessness (PATH)	93.150		\$ 21,752	\$ -
Block Grants for Community Mental Health Services	93.958		279,513	-
COVID 19 - Epidemiology and Laboratory Capacity for COVID-19 Coronavirus Aid, Relief and Economic Security Act	93.323	ELC Cares	1,027,141	-
(CARES) 2020 Epidemiology and Laboratory Capacity (ELC)	93.323	ELC EPI	234,891	-
Subtotal 93.323			<u>1,262,032</u>	<u>-</u>
Total U.S. Department of Health and Human Services			27,430,316	-
Department of Homeland Security				
Passed through State Emergency Management Agency:				
Emergency Management Performance Grants	97.042	2020-0095 RR2	39,894	-
Emergency Management Performance Grants	97.042	2020-0095 RR3	19,144	-
Emergency Management Performance Grants	97.042	2020-0095 RR4	19,645	-
Emergency Management Performance Grants	97.042	2021-0015 RR2	15,866	-
Emergency Management Performance Grants	97.042	2021-0015 RR3	10,221	-
Emergency Management Performance Grants	97.042	2021-0014 RR3	10,349	-
Emergency Management Performance Grants	97.042	2021-0014 RR2	12,384	-
Subtotal 97.042			<u>127,503</u>	<u>-</u>
Hazard Mitigation Grant Program	97.039		<u>81,469</u>	<u>-</u>
Total Department of Homeland Security			<u>208,972</u>	<u>-</u>
Total			<u>\$ 45,951,319</u>	<u>\$ 1,894,827</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF TEHAMA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2023

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, 2023**

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

14.228

21.027

93.558

93.563

93.658

93.659

Name of Federal Program or Cluster

Community Development Block Grants / Entitlement Grants

COVID-19 Coronavirus State & Local Fiscal Recovery Funds

Temporary Assistance for Needy Families

Child Support Enforcement

Foster Care Title IV-E

Adoptions Assistance

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

\$ 1,378,539

Auditee qualified as low-risk auditee? yes x no

**COUNTY OF TEHAMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Section II – Financial Statement Findings

2023-001

Material Weakness in Internal Control over Financial Reporting

Condition

The County improperly reported the PARS Pension 115 Trust as a custodial fund in the prior year financial statements.

Criteria

GASB Statement No. 84, Fiduciary Activities requires that governments report fiduciary activities in the fiduciary fund financial statements of the basic financial statements. The PARS Pension 115 Trust does not meet the criteria for a fiduciary activity because it is made up of the County's own-source revenue, and the County does not have control of the assets in the trust.

Cause

During the implementation of GASB Statement No. 84, Fiduciary Activities for the year ended June 30, 2021, the County classified the trust as a fiduciary activity, rather than as part of the General Fund.

Repeat Finding

This is not a repeat finding.

Effect

A prior period adjustment, increasing cash with fiscal agents & beginning fund balance in the General Fund by \$567,116 and decreasing beginning net position and cash with fiscal agents in the Custodial Funds by \$567,116 was recorded.

Recommendation

As part of its financial reporting process, the County should review the nature of its trusts, and determine whether the balances are correctly reflected as fiduciary activities or part of the primary government.

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, 2023**

Section II – Financial Statement Findings (Continued)

2023-002

Material Weakness in Internal Control over Financial Reporting

Condition

The County did not record depreciation expense in the Tehama County Sanitation District Fund in the prior year.

Criteria

Per the County's Summary of Significant Accounting Policies, Capital assets used in operations should be depreciated or amortized using the straight-line method over the assets' estimated useful lives.

Cause

Capital asset activity for the financial statements is compiled manually by inputting information from system generated reports into an Excel workbook. Depreciation expense for the Tehama County Sanitation District fund was not included in the workbook for the prior year.

Repeat Finding

This is not a repeat finding.

Effect

A prior period adjustment, increasing accumulated depreciation and decreasing beginning net position by \$39,220 in the Tehama County Sanitation District Fund was recorded.

Recommendation

As part of its financial reporting process, the County should review all capital asset activity to determine that depreciation expense has been properly recognized in the financial statements.

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, 2023**

Section II – Financial Statement Findings (Continued)

2023-003

Material Weakness in Internal Control over Financial Reporting

Condition

The County did not include expenditures related to the Coronavirus State & Local Fiscal Recovery Funds on the Schedule of Expenditures of Federal Awards for the year ended June 30, 2023.

Criteria

The auditee's responsibility per the Uniform Guidance, Section 200.508 Part B, is to "prepare appropriate financial statements, including the Schedule of Expenditures of Federal Awards."

The SEFA, while not part of the Basic Financial Statements, is audited in relation to the basic financial statements, in accordance with the requirements of the Uniform Guidance. The Uniform Guidance requires auditors to determine major programs and perform risk assessments based on information reported on the SEFA.

Cause

Expenditures related to the program were not included on the SEFA through the County's process of compiling the SEFA.

Repeat Finding

This is not a repeat finding.

Effect

By not including these expenditures, the total SEFA amount was under reported by \$3,842,965. This also impacted our major program determination process and led to the program being determined as not major prior to the reporting of expenses. Once expenditures were properly reported, the program was determined to be a major program.

Recommendation

We recommend that the County perform procedures to ensure that all relevant programs are properly reported on the SEFA.

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, 2023**

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, 2023**

A reconciliation of accrual basis expenditures as reported on the Financial Closeout Report to cash basis expenditures confirmed as of June 30, 2023, follows:

Program	Federal CFDA Number	Total Expenditures	Accrual Adjustments	Confirmed Amount
IIIC-1 Congregate	93.045	\$ 128,004	\$ -	\$ -
IIIC-1 Congregate Nutrition Services Incentive Program	93.053	22,247	-	-
Total Expenditures of CDA Federal Awards		<u>\$ 150,251</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	\$ 128,004	\$ -	\$ 128,004
93.053	22,247	-	22,247
Total	<u>\$ 150,251</u>	<u>\$ -</u>	<u>\$ 150,251</u>

**COUNTY OF TEHAMA
SUPPLEMENTAL SCHEDULE
CALIFORNIA COMMUNITY SERVICES AND DEVELOPMENT
CSD CONTRACT NO. 23F-4049 (CSBG)
FOR THE PERIOD JANUARY 1, 2023 THROUGH MAY 31, 2024**

	January 1, 2023 through June 30, 2023	Total Audited Costs	Total Reported Costs	Total Budget
REVENUE				
Grant Revenue	\$ 101,203	\$ 101,203		\$ 331,306
Interest Income	313	313		-
Total Revenue	<u>\$ 101,516</u>	<u>\$ 101,516</u>		<u>\$ 331,306</u>
EXPENDITURES				
Administrative Costs:				
Operating Expenses	\$ 2,879	\$ 2,879	\$ 2,879	\$ 2,879
Contract and Consultant Services	12,294	12,294	12,294	12,294
Total Administrative Costs	<u>15,173</u>	<u>15,173</u>	<u>15,173</u>	<u>15,173</u>
Program Costs:				
Salaries and Wages	25,939	25,939	25,939	25,939
Fringe Benefits	6,968	6,968	6,968	6,968
Operating Expenses	25,504	25,504	25,504	25,504
Subcontractor and Consultant Services	27,619	27,619	27,619	27,619
Total Program Costs	<u>86,030</u>	<u>86,030</u>	<u>86,030</u>	<u>86,030</u>
Total Expenses	<u>\$ 101,203</u>	<u>\$ 101,203</u>	<u>\$ 101,203</u>	<u>\$ 101,203</u>

**COUNTY OF TEHAMA
SUPPLEMENTAL SCHEDULE
CALIFORNIA COMMUNITY SERVICES AND DEVELOPMENT
CSD CONTRACT NO. 22F-5049 (CSBG)
FOR THE PERIOD JANUARY 1, 2022 THROUGH MAY 31, 2023**

	January 1, 2022 through June 30, 2022	July 1, 2022 through May 31, 2023	Total Audited Costs	Total Reported Costs	Total Budget
REVENUE					
Grant Revenue	\$ 96,764	\$ 203,542	\$ 300,306		\$ 300,306
Interest Income	71	234	305		-
Total Revenue	<u>\$ 96,835</u>	<u>\$ 203,776</u>	<u>\$ 300,611</u>		<u>\$ 300,306</u>
EXPENDITURES					
Administrative Costs:					
Operating Expenses	\$ 1,500	\$ 50,293	\$ 51,793	\$ 51,793	\$ 51,793
Contract and Consultant Services	16,673	16,620	33,293	33,293	33,293
Total Administrative Costs	<u>18,173</u>	<u>66,913</u>	<u>85,086</u>	<u>85,086</u>	<u>85,086</u>
Program Costs:					
Salaries and Wages	27,460	37,413	64,873	64,873	64,873
Fringe Benefits	11,797	14,267	26,064	26,064	26,064
Operating Expenses	14,374	54,849	69,223	69,223	69,223
Subcontractor and Consultant Services	24,960	30,100	55,060	55,060	55,060
Total Program Costs	<u>78,591</u>	<u>136,629</u>	<u>215,220</u>	<u>215,220</u>	<u>215,220</u>
Total Expenses	<u>\$ 96,764</u>	<u>\$ 203,542</u>	<u>\$ 300,306</u>	<u>\$ 300,306</u>	<u>\$ 300,306</u>

**COUNTY OF TEHAMA
SUPPLEMENTAL SCHEDULE
CALIFORNIA COMMUNITY SERVICES AND DEVELOPMENT
CSD CONTRACT NO. 22F-5049 (DISCRETIONARY CSBG)
FOR THE PERIOD JANUARY 1, 2022 THROUGH MAY 31, 2023**

	July 1, 2022 through May 31, 2023	Total Audited Costs	Total Reported Costs	Total Budget
REVENUE				
Grant Revenue	\$ 31,000	\$ 31,000		\$ 31,000
Total Revenue	\$ 31,000	\$ 31,000		\$ 31,000
EXPENDITURES				
Program Costs:				
Subcontractor and Consultant Services	\$ 31,000	\$ 31,000	\$ 31,000	\$ 31,000
Total Program Costs	31,000	31,000	31,000	31,000
Total Expenses	\$ 31,000	\$ 31,000	\$ 31,000	\$ 31,000



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