

**COUNTY OF TEHAMA,
CALIFORNIA**

**SINGLE AUDIT REPORT
AND SUPPLEMENTAL SCHEDULES**

YEAR ENDED JUNE 30, 2024



CPAs | CONSULTANTS | WEALTH ADVISORS

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**COUNTY OF TEHAMA
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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND REPORT 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, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated February 25, 2025.

Report on 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 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 item 2024-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

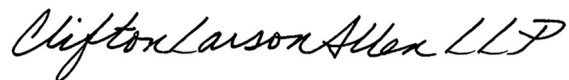
As part of obtaining reasonable assurance about whether County’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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 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
February 25, 2025



**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 identified as subject to audit 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, 2024. 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 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, 2024.

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 the 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, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We have issued our report thereon dated February 25, 2025, 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 basic 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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The Supplementary Schedules of the Department of Community Services and Development and the California Department of Aging, which is the responsibility of management, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Roseville, California
February 25, 2025

**COUNTY OF TEHAMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024**

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	AP23PPQFO000C001	\$ 427	\$ -
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP23PPQFO000C207	7,124	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP23PPQFO000C248	5,720	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP23PPQFO000C378	490	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP23PPQFO000C246	3,779	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP23PPQFO000C246	7,677	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP24PPQFO000C005	15,364	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP2399QFO000C001	16,529	-
Subtotal 10.025			57,109	-
Passed through State Department of Education:				
School Breakfast Program	10.553	02951-SN-52-R	28,508	-
National School Lunch Program	10.555	02951-SN-52-R	31,785	-
Total Child Nutrition Cluster			60,293	-
Passed through State Department of Health Services:				
WIC - Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	15-10122 WIC	674,237	-
Subtotal 10.557			674,237	-
Passed through State Department of Social Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Admin	1,942,069	-
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	215-2012 NEOP	142,887	-
Total SNAP Cluster			2,084,956	-
Passed through State Controller's Office:				
Cooperative Forestry Assistance	10.664	7GF22322	20,000	-
USDA, Forest Svc Mendocino Natl Forest	10.667	21-LE-11051360-009	12,828	-
Schools and Roads - Grants to Counties	10.666	10-Unknown	486,769	-
Total Forest Service Schools and Roads Cluster			486,769	-
Total U.S. Department of Agriculture			3,396,193	-
U.S. Department of Housing and Urban Development				
Passed through State Emergency Management Agency:				
COVID-19 Corona Virus, Relief and Economic Security/CDBG CV2/3	14.228	20-CDBG-CV2-3-00116	1,837,495	-
Total U.S. Department of Housing and Urban Development			1,837,495	-
U.S. Department of the Interior				
Direct Program:				
Payments in Lieu of Taxes	15.226		916,861	-
Total U.S. Department of the Interior			916,861	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF TEHAMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

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:	16.607	2021 FUND	\$ 3,528	\$ -
Bulletproof Vest Partnership	16.607	2022 FUND	3,192	-
Subtotal 16.607			6,720	-
Passed through Drug Enforcement Administration:				
Domestic Cannabis Eradication/Suppression Program	16.022	2023-51	9,470	-
Passed through Board of State and Community Corrections:				
Edward Byrne Memorial Justice Assistance	16.738	BSCC 641-19	23,331	-
Edward Byrne Memorial Justice Assistance	16.738	BSCC 641-19	20,026	-
Edward Byrne Memorial Justice Assistance	16.738	BSCC 1222-23	15,122	-
Subtotal 16.738			58,479	-
Federal Asset Seizure	16.unknown		3,131	-
Passed through State Emergency Management Agency:				
Crime Victim Assistance	16.575	VW 2227 0520	103,545	-
Crime Victim Assistance	16.575	VW 2328 0520	203,360	-
Crime Victim Assistance	16.575	XC 2301 0520	45,787	-
Crime Victim Assistance	16.575	HA 2301 0520	9,341	-
Subtotal 16.575			362,033	-
Total U.S. Department of Justice			439,833	-
U.S. Department of Transportation				
Passed through State Department of Transportation:				
Highway Planning and Construction	20.205	SRTSL-5908(092)	196,334	-
Highway Planning and Construction	20.205	RPSTPL-5908(102)	61,582	-
Highway Planning and Construction	20.205	RPSTPL-5908(100)	469,220	-
Highway Planning and Construction	20.205	HSIPL-5908(104)	22,369	-
Highway Planning and Construction	20.205	HSIPL-5908(105)	17,086	-
Highway Planning and Construction	20.205	HSIPL-5908(106)	21,351	-
Highway Planning and Construction	20.205	BRLOZB-5908(025)	10,555,116	-
Highway Planning and Construction	20.205	BRLSZD-5908(031)	8,283,524	-
Highway Planning and Construction	20.205	BRLO-5908(056)	3,600,619	-
Highway Planning and Construction	20.205	BRLO-5908(057)	2,936,055	-
Subtotal 20.205			26,163,256	-
Passed through State Department of Transportation:				
Enhanced Mobility of Seniors & Individuals with Disabilities	20.513		375,000	-
Subtotal Transit Services Programs Cluster				
CRRSAA (Rural area Formula)	20.509		1,054,601	-
CARES Act (Rural Area Formula)	20.509		312,371	-
Statewide Rural Public Transit	20.509		518,574	-
COVID-19 ARPA	20.509		680,000	-
Subtotal 20.509			2,565,546	-
National Bus & Bus Facilities	20.526		592,998	-
Total Federal Transit Cluster			592,998	-
Total U.S. Department of Transportation			29,696,800	-
U.S. Department of the Treasury				
Passed through State Department of Finance:				
LATCF Local Asst and Tribal Consistency Fund	21.032		1,054,736	-
COVID-19 American Rescue Plan Act	21.027		1,385,804	-
Total U.S. Department of the Treasury			2,440,540	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF TEHAMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Federal Program/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
Environmental Protection Agency (EPA)				
Direct Program:				
EPA PM2.5 Monitoring Support funds for CAPCOA	66.305	EPA PM2.5	\$ 8,000	\$ -
Total Environmental Protection Agency (EPA)			8,000	-
U.S. Election Assistance Commission				
Passed through California Secretary of State:				
HAVA Polling Place Accessibility Training Program	90.404	23G26152	8,700	-
Total U.S. Election Assistance Commission			8,700	-
U.S. Department of Health and Human Services				
Passed through State Department of Social Services:				
Guardianship Assistance	93.090	Admin	24,344	-
Promoting Safe and Stable Families	93.556	Admin	58,934	-
Community-Based Child Abuse Prevention Grants	93.590	CBCAP/Co Funds	33,227	-
Stephanie Tubbs Jones Child Welfare Services Program CW IV-B	93.645	Admin	42,213	-
Social Services Block Grant Title XX	93.667	Admin	149,424	-
Chafee Foster Care Independence Program	93.674	ILP Admin	91,584	-
Temporary Assistance for Needy Families	93.558		12,100,787	-
Foster Care - Title IV-E	93.658		2,796,874	-
Adoption Assistance	93.659		4,980,236	-
Passed through State Child Support Department:				
Child Support Enforcement	93.563		1,535,137	-
Passed through State Department of Aging:				
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	IIIC-080-15	231,661	-
Nutrition Services Incentive Program	93.053	IIIC-080-15	21,145	-
Total Aging Cluster			252,806	-
Passed through State Department of Mental Health Services:				
Behavioral Health Court Co-Occurring Drug Court Substance Abuse and Mental Health Services	93.243		290,257	-
Projects of Regional and National Significance	93.243		235,287	-
Subtotal 93.243			525,544	-
Immunization Cooperative Agreements	93.268	Immunization	261,653	-
Passed through State Department of Community Services and Development:				
Community Services Block Grant	93.569	23F-4049	201,726	-
Community Services Block Grant	93.569	23F-4049	26,000	-
Community Services Block Grant	93.569	24F-3049	148,647	-
Subtotal 93.569			376,373	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF TEHAMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Federal Program/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
Passed through State Department of Mental Health Services:				
Projects for Assistance in Transition from Homelessness (PATH)	93.150	PATH	\$ 22,667	\$ -
Block Grants for Community Mental Health Services	93.958	MHBG	348,981	-
COVID 19 - Epidemiology and Laboratory Capacity for				
COVID-19 Coronavirus Aid, Relief and Economic Security Act	93.323	ELC Cares	295,339	-
(CARES) 2020 Epidemiology and Laboratory Capacity (ELC)	93.323	ELC EPI	142,762	-
Subtotal 93.323			<u>438,101</u>	<u>-</u>
Passed through State Department of Alcohol and Drug Programs:				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	93-Unknown	527,683	-
Passed through State Department of Health Services				
APS/CSBG	93.747	APS Covid	16,718	-
Medical Assistance Program DSS	93.778	APS/CSBG	362,466	-
Medical Assistance Program TCHSA	93.778	HCPCFC psych	6,601	-
Medical Assistance Program TCHSA	93.778	HCPCFC	31,515	-
Medical Assistance Program DSS	93.778	Title XIX	148,432	-
Medical Assistance Program TCHSA	93.778	CCS Title XIX & XXI	97,190	-
Medical Assistance Program DSS	93.778	IHSS	1,224,071	-
Medical Assistance Program DSS	93.778	Admin	1,946,500	-
Subtotal Medicaid Cluster			<u>3,816,775</u>	<u>-</u>
Healthy Families America Home Visiting Program	93.872		374,918	-
Maternal and Child Health Services Block Grant to the States	93.994		33,277	-
Maternal and Child Health Services Block Grant to the States	93.994		1,446	-
Subtotal 93.994			<u>34,723</u>	<u>-</u>
Public Health Emergency Preparedness (PHEP)	93.069		145,683	-
Hospital Preparedness Program (HPP)	93.889		134,410	-
Total U.S. Department of Health and Human Services			29,089,795	-
Department of Homeland Security				
Passed through State Emergency Management Agency:				
Emergency Management Performance Grants	97.042	2020-0095 RR5	34,958	-
Emergency Management Performance Grants	97.042	2019-0035 RR8	53,351	-
Emergency Management Performance Grants	97.042	2021-0015 RR5	11,947	-
Subtotal 97.042			<u>100,256</u>	<u>-</u>
Hazard Mitigation Grant Program	97.039		146,951	-
Total Department of Homeland Security			<u>247,207</u>	<u>-</u>
Total			<u>\$ 68,081,424</u>	<u>\$ -</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF TEHAMA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2024

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, 2024**

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

20.509

20.205

21.027

Name of Federal Program or Cluster

Formula Grants for Rural Area and Tribal Transit Program

Highway Planning and Construction

COVID-19 Coronavirus State & Local Fiscal Recovery Funds

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

\$ 2,042,443

Auditee qualified as low-risk auditee?

 yes x no

**COUNTY OF TEHAMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Section II – Financial Statement Findings

2024-001

Material Weakness in Internal Control over Financial Reporting

Condition

During our audit, we noted that an agreement for outstanding debt of \$7.5 million for an energy efficient project was not recorded in the previous year when the County signed the debt agreement and received the debt proceeds.

Additionally, the County reported the debt proceeds in a fiduciary fund instead of a governmental fund though the funds were for the benefit of the County.

Criteria

A debt transaction is recognized on the financial statements of an organization when the obligation officially exists. For the borrower, long-term debt is reported on the settlement date, or the date the proceeds are received.

Cause

The County recorded the debt proceeds in a trust fund, and did not report the debt until the initial principal payment was made.

Repeat Finding

This is not a repeat finding.

Effect

The County 's long-term debt liabilities were understated by \$7.5 million in the prior year requiring a restatement of net position.

Additionally, the County's cash reported in its governmental funds was understated by \$828 thousand in the prior year because the debt proceeds were reported in a fiduciary fund.

The misstatements required a net prior period adjustment of \$6.7 million to governmental activities and \$828 thousand to the capital projects fund.

Recommendation

We recommend the County record a liability in its general ledger when an obligation arises, such as signing a debt agreement or receiving debt proceeds.

Views of Responsible Officials and Planned Corrective Actions

There is no disagreement with this finding,

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, 2024**

A reconciliation of accrual basis expenditures as reported on the Financial Closeout Report to cash basis expenditures confirmed as of June 30, 2024, follows:

Program	Federal ALN	Total Expenditures	Accrual Adjustments	Confirmed Amount
IIC-1 Congregate	93.045	\$ 231,661	\$ -	\$ -
IIC-1 Congregate Nutrition Services Incentive Program	93.053	21,145	-	-
Total Expenditures of CDA Federal Awards		<u>\$ 252,806</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 ALN	Federal Expenditures	State Expenditures	Total
93.045	\$ 231,661	\$ -	\$ 231,661
93.053	21,145	-	21,145
Total	<u>\$ 252,806</u>	<u>\$ -</u>	<u>\$ 252,806</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**

	July 1, 2023 through December 31, 2023	Total Audited Costs	Total Reported Costs	Total Budget
REVENUE				
Grant Revenue	\$ 201,726	\$ 201,726		\$ 201,726
Interest Income	-	-		-
Total Revenue	<u>\$ 201,726</u>	<u>\$ 201,726</u>		<u>\$ 201,726</u>
EXPENDITURES				
Administrative Costs:				
Operating Expenses	\$ 15,562	\$ 15,562	\$ 15,562	\$ 15,562
Contract and Consultant Services	11,651	11,651	11,651	11,651
Total Administrative Costs	<u>27,213</u>	<u>27,213</u>	<u>27,213</u>	<u>27,213</u>
Program Costs:				
Salaries and Wages	35,461	35,461	35,461	35,461
Fringe Benefits	15,884	15,884	15,884	15,884
Operating Expenses	70,768	70,768	70,768	70,768
Subcontractor and Consultant Services	52,400	52,400	52,400	52,400
Total Program Costs	<u>174,513</u>	<u>174,513</u>	<u>174,513</u>	<u>174,513</u>
Total Expenses	<u>\$ 201,726</u>	<u>\$ 201,726</u>	<u>\$ 201,726</u>	<u>\$ 201,726</u>

**COUNTY OF TEHAMA
SUPPLEMENTAL SCHEDULE
CALIFORNIA COMMUNITY SERVICES AND DEVELOPMENT
CSD CONTRACT NO. 23F-4049 (DISCRETIONARY CSBG)
FOR THE PERIOD JANUARY 1, 2024 THROUGH JUNE 30, 2024**

	January 1, 2024 through June 30, 2024	Total Audited Costs	Total Reported Costs	Total Budget
REVENUE				
Grant Revenue	\$ 26,000	\$ 26,000		\$ 26,000
Total Revenue	<u>\$ 26,000</u>	<u>\$ 26,000</u>		<u>\$ 26,000</u>
EXPENDITURES				
Program Costs:				
Salaries and Wages	14,798	14,798	14,798	14,798
Fringe Benefits	1,202	1,202	1,202	1,202
Operating Expenses	-	-	-	-
Subcontractor and Consultant Services	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
Total Program Costs	<u>26,000</u>	<u>26,000</u>	<u>26,000</u>	<u>26,000</u>
Total Expenses	<u>\$ 26,000</u>	<u>\$ 26,000</u>	<u>\$ 26,000</u>	<u>\$ 26,000</u>

**COUNTY OF TEHAMA
SUPPLEMENTAL SCHEDULE
CALIFORNIA COMMUNITY SERVICES AND DEVELOPMENT
CSD CONTRACT NO. 24F-3049
FOR THE PERIOD JANUARY 1, 2024 THROUGH JUNE 30, 2024**

	January 1, 2024 through June 30, 2024	Total Audited Costs	Total Reported Costs	Total Budget
REVENUE				
Grant Revenue	\$ 148,647	\$ 148,647		\$ 148,647
Total Revenue	<u>\$ 148,647</u>	<u>\$ 148,647</u>		<u>\$ 148,647</u>
EXPENDITURES				
Administrative Costs:				
Operating Expenses				
Contract and Consultant Services	3,920	3,920	3,920	3,920
Total Program Costs	<u>19,720</u>	<u>19,720</u>	<u>19,720</u>	<u>19,720</u>
	<u>23,640</u>	<u>23,640</u>	<u>23,640</u>	<u>23,640</u>
Program Costs:				
Salaries and Wages	36,449	36,449	36,449	36,449
Subcontractor and Consultant Services	10,411	10,411	10,411	10,411
Subcontractor and Consultant Services	46,867	46,867	46,867	46,867
Subcontractor and Consultant Services	31,280	31,280	31,280	31,280
Total Program Costs	<u>125,007</u>	<u>125,007</u>	<u>125,007</u>	<u>125,007</u>
Total Expenses	<u>\$ 148,647</u>	<u>\$ 148,647</u>	<u>\$ 148,647</u>	<u>\$ 148,647</u>



TEHAMA COUNTY AUDITOR-CONTROLLER

February 28, 2025

The County of Tehama respectfully submits the following summary schedule of prior audit findings for the year ended June 30, 2024.

Audit period: July 1, 2022 – June 30, 2023

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDINGS—FINANCIAL STATEMENT AUDIT

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.

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.

Status: Recommendation has been implemented for the year ended June 30, 2024.

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.

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.

Status: Recommendation has been implemented for the year ended June 30, 2024.

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.

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

Status: Recommendation has been implemented for the year ended June 30, 2024.

FINDINGS— FEDERAL AWARD PROGRAMS AUDITS

There were no findings related to federal award programs for the year ended June 30, 2023.

If there are questions regarding this schedule, please call Krista Peterson, Auditor-Controller at 530-527-3474.



TEHAMA COUNTY AUDITOR-CONTROLLER

The County of Tehama respectfully submits the following corrective action plan for the year ended June 30, 2024.

Audit period: July 1, 2023 to June 30, 2024

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FINANCIAL STATEMENT AUDIT

Material Weakness in Internal Control over Financial Reporting:

2024-001 **Condition:** During our audit, we noted that an agreement for outstanding debt of \$7.5 million for an energy efficient project was not recorded in the previous year when the County signed the debt agreement and received the debt proceeds. Additionally, the County reported the debt proceeds in a fiduciary fund instead of a governmental fund though the funds were for the benefit of the County.

Recommendation: We recommend the County record a liability in its general ledger when an obligation arises, such as signing a debt agreement or receiving debt proceeds.

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

The County entered into an agreement with First Foundation Public Finance in May 2022 and funds were received in June of 2022. Although the money was intended for energy efficiency measures and solar installation related to governmental agencies, we couldn't determine which function the revenue was related to when funds were received. Thus, this was deposited to a trust and classified as a fiduciary fund.

The county made the first debt payment in May of 2023 and neglected to include the debt on the long-term debt schedule. This was recognized during the FY 2022/23 audit process and the long-term debt schedule was modified to include the Aircon debt. Unfortunately, the revised schedule was not sent to CLA and therefore, was not included in the financial statements for 2022/23.

Action planned in response to finding:

The County modified the debt schedule and has recognized the revenues in the governmental funds.

The County will continue to examine existing funds to ensure they are being classified correctly.

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

Krista Peterson, Auditor-Controller, 530-527-3474

Planned completion date for corrective action plan: 08/31/2024



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