

COUNTY OF COLUSA, CALIFORNIA
SINGLE AUDIT REPORT
YEAR ENDED JUNE 30, 2018



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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

The Honorable Board of Supervisors
County of Colusa, California
Colusa, 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 Colusa, California (the County), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 28, 2019.

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) to determine audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

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 28, 2019



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

The Honorable Board of Supervisors
County of Colusa, California
Colusa, California

Report on Compliance for Each Major Federal Program

We have audited the County of Colusa, California's (the 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, 2018. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

The Honorable Board of Supervisors
County of Colusa, California

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

We have audited the financial statements of the governmental activities, the business-type activities, , each major fund, and the aggregate remaining fund information of the County as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 28, 2019, 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.



CliftonLarsonAllen LLP

Roseville, California
March 28, 2019

**COUNTY OF COLUSA, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2018**

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed through to Subrecipients
<u>U.S. Department of Agriculture</u>				
Passed through State Department of Food and Agriculture:				
Plant and Animal Disease, Pest Control, and Animal Care	10.025	17-0154-003-SF	\$ 3,801	\$ -
Plant and Animal Disease, Pest Control, and Animal Care	10.025	17-0213-001-SF	2,282	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	17-0682-SF	7,647	-
Subtotal CFDA 10.025			<u>13,730</u>	<u>-</u>
Passed through the State Department of Social Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		433,725	-
Subtotal - SNAP Cluster			<u>433,725</u>	<u>-</u>
Passed through the State Controller's Office				
Schools and Roads - Grants to States	10.665		42,676	-
Subtotal - Forest Service Schools and Roads Cluster			<u>42,676</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>490,131</u>	<u>-</u>
<u>U.S. Department of Housing and Urban Development</u>				
Passed through State Department of Housing and Community Development:				
Community Development Block Grants/Entitlement Grants	14.228	15-CDBG-10570	440,121	-
Community Development Block Grants/Entitlement Grants:				
Outstanding Loans	14.228		5,459,804	-
Subtotal CFDA 14.228			<u>5,899,925</u>	<u>-</u>
Home Investment Partnership Program:				
Outstanding Loans	14.239		74,389	-
Total U.S. Department of Housing and Urban Development			<u>5,974,314</u>	<u>-</u>
<u>U.S. Department of the Interior</u>				
Direct Programs:				
Payments in Lieu of Taxes	15.226		289,287	-
Total U.S. Department of the Interior			<u>289,287</u>	<u>-</u>
<u>U.S. Department of Justice</u>				
Direct Programs:				
Drug Court Discretionary Grant Program	16.585		8,585	-
Drug Court Discretionary Grant Program	16.585		5,021	-
Subtotal CFDA 16.585			<u>13,606</u>	<u>-</u>
Bureau of Justice Assistance	16.607		2,910	-
Passed through the Governor's Office of Emergency Services:				
Crime Victim Assistance	16.575	VW16210060	121,932	-
Crime Victim Assistance	16.575	XC16010060	75,401	-
Subtotal CFDA 16.575			<u>197,333</u>	<u>-</u>
Total U.S. Department of Justice			<u>213,849</u>	<u>-</u>
<u>U.S. Department of Transportation</u>				
Passed through the State Department of Transportation:				
Airport Improvement Program	20.106	AIP16	5,756	-
Airport Improvement Program	20.106	AIP17	545,907	-
Subtotal CFDA 20.106			<u>551,663</u>	<u>-</u>
Highway Planning and Construction	20.205	BRLO-5915(054)	693	-
Highway Planning and Construction	20.205	BRLO-5915(055)	260	-
Highway Planning and Construction	20.205	BRLO-5915(056)	779	-
Subtotal - Highway Planning and Construction Cluster			<u>1,732</u>	<u>-</u>
Total U.S. Department of Transportation			<u>553,395</u>	<u>-</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF COLUSA, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed through to Subrecipients
U.S. Department of Health and Human Services				
Passed through the State Department of Aging and CSU, Chico				
Research Foundation/Area Agency on Aging:				
Special Program for the Aging - Title III Part B -				
Grants for Supportive Services and Senior Centers	93.044	IIIB-0212-18	\$ 9,302	\$ -
Special Program for the Aging - Title III Part C - Nutrition Services				
Nutrition Services Incentive Program	93.053	IIIC-025-18	56,599	-
Subtotal - Aging Cluster			65,901	-
Passed through the State Department of Social Services:				
Promoting Safe and Stable Families	93.556		22,087	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645		24,837	-
Social Services Block Grant	93.667		33,116	-
Chafee Foster Care Independence Program	93.674		25,534	-
Temporary Assistance for Needy Families	93.558	800-26-2018	511,719	-
Temporary Assistance for Needy Families	93.558		14,221	-
Temporary Assistance for Needy Families	93.558		791,567	-
Temporary Assistance for Needy Families	93.558	800-06-2018	57,446	-
Subtotal - TANF Cluster			1,374,953	-
Foster Care - Title IV-E	93.658	CEC-06-2018	265,367	-
Foster Care - Title IV-E	93.658	CEC-06-2018	184,979	-
Foster Care - Title IV-E	93.658	800-06-2018	27,781	-
Foster Care - Title IV-E	93.658	800-06-2018	371,254	-
Foster Care - Title IV-E	93.658	800-06-2018	18,537	-
Foster Care - Title IV-E	93.658	800-06-2018	27,913	-
Foster Care - Title IV-E	93.658	800-06-2018	5,045	-
Foster Care - Title IV-E	93.658	800-06-2018	34,531	-
Subtotal CFDA 93.658			935,407	-
Adoption Assistance	93.659	CEC-06-2018	11,894	-
Adoption Assistance	93.659	800-06-2018	408,499	-
Adoption Assistance	93.659	800-06-2018	50,062	-
Subtotal CFDA 93.659			470,455	-
Passed through the State Department of Child Support Services:				
Child Support Enforcement	93.563	Colusa	439,903	-
Passed through the State Department of Alcohol and Drug Programs:				
Block Grants for Community Mental Health Services	93.958	SAMSHA	140,096	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	SAPT	438,228	-
Passed through the State Department of Health Care Services:				
Public Health Emergency Preparedness	93.069		115,174	-
Immunization Cooperative Agreements	93.268	17-10312	34,564	-
National Bioterrorism Hospital Preparedness Program	93.889		128,370	-
Maternal and Child Health Services Block Grant to the States	93.994	MCH	78,019	-
Medical Assistance Program	93.778		692,706	-
Medical Assistance Program	93.778	HCPCFC	24,396	-
Medical Assistance Program	93.778	CHDP	48,181	-
Medical Assistance Program	93.778	CCS	139,647	-
Medical Assistance Program	93.778	IHSS	64,946	-
Medical Assistance Program	93.778	IHSS-A dm	243,662	-
Medical Assistance Program	93.778	MCH	12,645	-
Subtotal - Medicaid Cluster			1,226,183	-
Total U.S. Department of Health and Human Services			5,552,827	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF COLUSA, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2018**

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed through to Subrecipients
U.S. Department of Homeland Security				
Passed through the State Governor's Office of Emergency Services:				
Hazard Mitigation Grants	97.039	FEMA-4240-DR-CA	\$ 43,884	\$ -
Emergency Management Performance Grants	97.042	2016-0010 Cal OES ID#011	19,614	-
Emergency Management Performance Grants	97.042		<u>83,634</u>	-
Subtotal CFDA 97.042			103,248	-
Homeland Security Grant Program	97.067	EMW-2014-CA- 00121-S01	1,045	-
Homeland Security Grant Program	97.067	EMW-2015-CA- 00051-S01	12,928	-
Homeland Security Grant Program	97.067	2016-0102	2,459	-
Homeland Security Grant Program	97.067	2016-0102	<u>1,525</u>	-
Subtotal CFDA 97.067			17,957	-
Total U.S. Department of Homeland Security			<u>165,089</u>	-
Total Expenditures of Federal Awards			<u>\$13,238,892</u>	<u>\$ -</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF COLUSA, CALIFORNIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2018**

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards presents the activity of all federal awards programs of the County of Colusa, California for the year ended June 30, 2018. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE 3 CATALOG OF FEDERAL DOMESTIC (CFDA) NUMBERS

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2018 *Catalog of Federal Domestic Assistance*. When no CFDA number had been assigned to a program, the two-digit federal agency identifier and the federal contract number were used. When there was no federal contract number, the two-digit federal agency identifier and the word "unknown" were used.

NOTE 4 INDIRECT COST RATE

The County did not elect to use the 10 percent de minimis indirect cost rate as covered in 2 CFR §200.414. Uniform Guidance §200.510(6) requires the County to disclose whether or not it elected to use the 10 percent de minimis cost rate that §200.414(f) allows for nonfederal entities that have never received a negotiated indirect cost rate.

NOTE 5 LOANS WITH CONTINUING COMPLIANCE REQUIREMENTS

Outstanding federally-funded program loans, with a continuing compliance requirement, carried balances as of June 30, 2018 as follows:

<u>CFDA No.</u>	<u>Federal Program</u>	<u>Outstanding Loans</u>	<u>Loans with Continuing Compliance Requirements</u>	<u>New Loans</u>
14.228	Community Development Block Grant/States Program	\$ 5,387,320	\$ 5,459,804	\$ -
14.239	Home Investment Partnership Program	42,389	74,389	-

**COUNTY OF COLUSA, CALIFORNIA
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
 YEAR ENDED JUNE 30, 2018**

NOTE 6 PASS-THROUGH ENTITIES' IDENTIFYING NUMBER

When federal awards were received from a pass-through entity, the schedule of expenditures of federal awards shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the County determined that no identifying number is assigned for the program or the County was unable to obtain an identifying number from the pass-through entity.

NOTE 7 CALIFORNIA DEPARTMENT OF AGING

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

CFDA	Federal Expenditures	State Expenditures	Total
93.044	\$ 9,302	\$ 9,302	\$ 18,604
93.053	56,599	-	56,599
Total	\$ 65,901	\$ 9,302	\$ 75,203

**COUNTY OF COLUSA, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018**

Section I – Summary of Auditors’ Results

Financial Statements

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

CFDA Number(s)	Name of Federal Program or Cluster
14.228	Community Development Block Grants/ Entitlement Grants
93.658	Foster Care – Title IV-E

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? _____ yes x no

**COUNTY OF COLUSA, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2018**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

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