

**COUNTY OF COLUSA,
CALIFORNIA**



**SINGLE AUDIT ACT
REPORTS AND SCHEDULES
FOR THE YEAR ENDED
JUNE 30, 2015**

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COUNTY OF COLUSA
Single Audit Act
For the Year Ended June 30, 2015

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**INDEPENDENT AUDITOR'S 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**

To the Board of Supervisors and Grand Jury
County of Colusa
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, (County) as of and for the year ended June 30, 2015, 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 25, 2016.

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

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 over financial reporting 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 financial reporting 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. (2015-001 and 2015-002)

To the Board of Supervisors and Grand Jury
County of Colusa
Colusa, California

Compliance and Other Matters

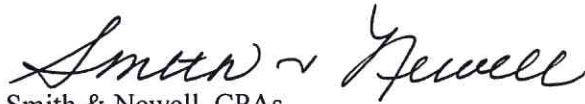
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

County's Responses to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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.

A handwritten signature in cursive script, reading "Smith & Newell".

Smith & Newell, CPAs
Yuba City, California
March 25, 2016

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
OMB CIRCULAR A-133**

To the Board of Supervisors and Grand Jury
County of Colusa
Colusa, California

Report on Compliance for Each Major Federal Program

We have audited the County of Colusa, California's (County) compliance with the types of compliance requirements described in the OMB Circular A-133 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, 2015. 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 the requirements of laws, regulations, contracts, and grants 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 OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 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, 2015.

To the Board of Supervisors and Grand Jury
County of Colusa
Colusa, California

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2015-003. Our opinion on each major federal program is not modified with respect to these matters.

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

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 OMB Circular A-133, 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.

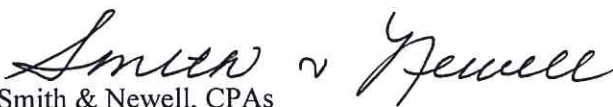
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

To the Board of Supervisors and Grand Jury
County of Colusa
Colusa, California

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the County of Colusa, California, as of and for the year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 25, 2016, 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 OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The Supplemental Schedules have not been subjected to auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on them.


Smith & Newell, CPAs
Yuba City, California
March 25, 2016

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COUNTY OF COLUSA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor Number	Federal Expenditures
U.S. Department of Agriculture			
Direct Program:			
Plant and Animal Disease, Pest Control and Animal Care	10.025	-	\$ 1,391
Technical Assistance for Specialty Crops Program	10.604	-	4,011
Passed through State Department of Social Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	CEC-06-2015	355,865
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	13-036	88,290
Subtotal 10.561			<u>444,155</u>
Passed through State Controller's Office:			
Schools and Roads - Grants to States	10.665	None	48,311
Total U.S. Department of Agriculture			<u>497,868</u>
Department of Housing and Urban Development			
Passed through State Department of Housing and Community Development:			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	12-EDOC-8491	173,286
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	12-CDBG-8377	944,897
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	Outstanding Loans	6,449,079
Subtotal 14.228			<u>7,567,262</u>
Home Investment Partnerships Program	14.239	Outstanding Loans	88,016
Subtotal 14.239			<u>88,016</u>
Total Department of Housing and Urban Development			<u>7,655,278</u>
U.S. Department of the Interior			
Direct Program:			
Payments in Lieu of Taxes	15.226	-	206,227
Total U.S. Department of the Interior			<u>206,227</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

COUNTY OF COLUSA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor Number	Federal Expenditures
U.S. Department of Justice			
Direct Program:			
Drug Court Discretionary Grant Program	16.585	-	\$ 8,094
Passed through Board of State and Community Corrections:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	BSCC 603-13	21,610
Passed through State Emergency Management Agency:			
Crime Victim Assistance	16.575	VW 1419 0060	42,763
Total U.S. Department of Justice			<u>72,467</u>
U.S. Department of Transportation			
Passed through State Department of Transportation:			
Highway Planning and Construction	20.205	BRLO-5915 (048)	700,031
Highway Planning and Construction	20.205	BRLO-5915 (054)	9,919
Highway Planning and Construction	20.205	BRLO-5915 (055)	2,267
Highway Planning and Construction	20.205	BRLO-5915 (056)	9,210
Subtotal 20.205			<u>721,427</u>
Total U.S. Department of Transportation			<u>721,427</u>
U.S. Department of Health and Human Services			
Passed through State Department of Aging and CSU, Chico			
Research Foundation/Area Agency on Aging:			
Special Programs for the Aging - Title III, Part B -			
Grants for Supportive Services and Senior Centers	93.044	IIIB-0212-15	12,302
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	IIIC-025-15	40,542
Nutrition Services Incentive Program	93.053	IIIC-025-15	9,126
Passed through State Department of Social Services:			
Promoting Safe and Stable Families	93.556	CEC-06-2015	18,081
Stephanie Tubbs Jones Child Welfare Services Program	93.645	CEC-06-2015	45,830
Social Services Block Grant	93.667	CEC-06-2015	33,963
Chafee Foster Care Independence Program	93.674	CEC-06-2015	23,429
Temporary Assistance for Needy Families	93.558	CEC-06-2015	646,038
Temporary Assistance for Needy Families	93.558	800-06-2015	848,285
Subtotal 93.558			<u>1,494,323</u>
Foster Care - Title IV-E	93.658	CEC-06-2015	242,217
Foster Care - Title IV-E	93.658	800-06-2015	256,178
Subtotal 93.658			<u>498,395</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

COUNTY OF COLUSA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor Number	Federal Expenditures
U.S. Department of Health and Human Services (Continued)			
Passed through State Department of Social Services (Continued):			
Adoption Assistance	93.659	CEC-06-2015	\$ 6,451
Adoption Assistance	93.659	800-06-2015	260,705
Subtotal 93.659			<u>267,156</u>
Passed through State Department of Child Support Services:			
Child Support Enforcement	93.563	Colusa	438,997
Passed through State Department of Alcohol and Drug Programs:			
Block Grants for Community Mental Health Services	93.958	SAMSHA	53,933
Block Grants for Prevention and Treatment of Substance Abuse	93.959	SAPT	408,184
Passed through State Department of Health Services:			
Public Health Emergency Preparedness	93.069	None	158,230
Immunization Cooperative Agreements	93.268	14-10528	23,084
Children's Health Insurance Program	93.767	CCS	45,821
National Bioterrorism Hospital Preparedness Program	93.889	None	145,503
Maternal and Child Health Services Block Grant to the States	93.994	201406	69,775
Medical Assistance Program	93.778	HCPCFC	5,868
Medical Assistance Program	93.778	CHDP	73,445
Medical Assistance Program	93.778	CCS	72,251
Medical Assistance Program	93.778	IHSS	35,566
Medical Assistance Program	93.778	201406	22,783
Medical Assistance Program	93.778	CEC-06-2015	969,747
Subtotal 93.778			<u>1,179,660</u>
Passed through State Department of Community Services and Development:			
Community Services Block Grant	93.569	14F-3011	5,009
Total U.S. Department of Health and Human Services			<u>4,971,343</u>
Department of Homeland Security			
Passed through State Office of Emergency Services:			
Emergency Management Performance Grants	97.042	2014-0070	55,600
Cooperating Technical Partners	97.045	EMW-2014-CA-00121-S01	11,255
Homeland Security Grant Program	97.067	2013-00110	70,024
Homeland Security Grant Program	97.067	2014-00093	3,196
Subtotal 97.067			<u>73,220</u>
Total Department of Homeland Security			<u>140,075</u>
Total			<u><u>\$ 14,264,685</u></u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

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COUNTY OF COLUSA
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

1. REPORTING ENTITY

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the County of Colusa. The County of Colusa's 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.

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. In addition, the outstanding balance of prior year's loans that have significant continuing compliance requirements have been included in total federal expenditures.

3. RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree or can be reconciled with amounts reported in the related federal financial assistance reports.

4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree or can be reconciled with amounts reported in the County's basic financial statements.

5. 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.

6. LOANS WITH CONTINUING COMPLIANCE REQUIREMENTS

The County participates in certain federal award programs that sponsor revolving loan programs, which are administered by the County. These programs require servicing arrangements with the County. The funds are returned to the programs upon repayment of the principal and interest. In accordance with Subpart B, Section 205 of the U.S. Office of Management and Budget Circular A-133, the County has reported the outstanding balance of loans from previous years that have significant continuing compliance requirements as of June 30, 2015, along with the value of total outstanding and new loans made during the current year.

COUNTY OF COLUSA
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

6. LOANS WITH CONTINUING COMPLIANCE REQUIREMENTS (CONTINUED)

The programs listed below had the following aggregate, federally funded loans outstanding at June 30, 2015:

Federal CFDA	Program Title	Amount Outstanding	
		July 1, 2014	June 30, 2015
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	\$ 6,449,079	\$ 6,537,696
14.239	Home Investment Partnerships Program	88,016	89,148
	Total	<u>\$ 6,537,095</u>	<u>\$ 6,626,844</u>

7. PROGRAM CLUSTERS

Federal programs, which must be audited together as a program cluster, include the following:

Federal CFDA	Program Title	Federal Expenditures
<u>Aging Cluster</u>		
93.044	Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	\$ 12,302
93.045	Special Programs for the Aging - Title III, Part C - Nutrition Services	40,542
93.053	Nutrition Services Incentive Program	<u>9,126</u>
	Total	<u>\$ 61,970</u>

COUNTY OF COLUSA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2015

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements	<u>Status</u>
1. Type of auditor's report issued	Unqualified
2. Internal controls over financial reporting:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified not considered to be material weaknesses?	Yes
3. Noncompliance material to financial statements noted?	No
Federal Awards	
1. Internal control over major programs:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified not considered to be material weaknesses?	No
2. Type of auditor's report issued on compliance for major programs:	Unqualified
3. Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 Section 510(a)?	Yes
4. Identification of major programs:	
14.228 Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	
93.563 Child Support Enforcement	
93.658 Foster Care - Title IV-E	
93.959 Block Grants for Prevention and Treatment of Substance Abuse	
5. Dollar threshold used to distinguish between Type A and Type B programs?	\$ 427,941
6. Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 530?	No

SECTION II - FINANCIAL STATEMENT FINDINGS

Capital Assets	2015-001
Solid Waste	2015-002

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

14.228 Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	2015-003
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COUNTY OF COLUSA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2015

2015-001 Capital Assets (Significant Deficiency)

Condition

During our audit we noted that the County's schedule of land contained unidentified costs and adjustments totaling \$359,374. This is a repeat of a prior year finding.

Cause

The County has not completed a review of the historical cost or estimated historical cost of all land owned by the County.

Criteria

Good internal control over capital assets requires that all capital assets be properly identified and recorded.

Effect of Condition

Errors in the capital assets listing can result in material misstatements of the financial statements.

Recommendation

We recommend that the County verify that all properties owned are properly recorded at actual historical cost or estimated historical cost.

Corrective Action Plan

The County Auditor-Controller has developed a complete listing of all land owned by the County, which includes the Assessor parcel numbers. However, much of the land was purchased in the 1800's and in subsequent years. Detailed records regarding land purchases (date of purchase and cost of each item) were not maintained until the last thirty or forty years. We are in the process of developing a system to identify, date and value the land with the resources that we have available. If actual records are not available, we are working with County appraisers to develop estimated historical costs. We will work diligently to complete this project as time permits. This is a long-term project and requires assistance from the County Assessor and the County Clerk-Recorder.

2015-002 Solid Waste (Significant Deficiency)

Condition

The Solid Waste enterprise fund had a deficit net position of \$4,352,178 after adjusting the closure/postclosure liability at June 30, 2015. We noted that the County had adopted a pledge of revenue as a mechanism to demonstrate financial responsibility to fund the Evans Road postclosure costs, however, we noted no pledge of revenue for the Stonyford landfill. This is a repeat of a prior year finding.

COUNTY OF COLUSA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2015

2015-002 Solid Waste (Significant Deficiency) (Continued)

Cause

The County Solid Waste enterprise fund has not adequately funded the closure/postclosure liability.

Criteria

The County is required by State and Federal laws and regulations to adequately fund or demonstrate financial responsibility for the closure/postclosure liability.

Effect of Condition

The Solid Waste enterprise fund has an unfunded closure/postclosure liability.

Recommendation

We recommend that the County continue to monitor the funding provisions for this liability to ensure that appropriate steps are taken to ultimately fund this liability. We also recommend that the County ensure that an acceptable mechanism is in place to demonstrate financial responsibility for the closure/postclosure costs for the Stonyford landfill.

Corrective Action Plan

Separate closure/post-closure funds were established in 1989; Stonyford Landfill (Fund #04003) and Evans Landfill (Fund #04004). These two funds are adequately funded on an annual basis. The Board of Supervisors is kept apprised of the large deficit fund balance in the Solid Waste Enterprise Fund (#0400), and has taken action to increase revenues and reduce the deficit. The Board continues to analyze possible rate increases, and alternate plans for the solid waste operation. They acknowledge the need to reduce the deficit as it would ultimately be a liability of the General Fund. However, they realize the deficit reduction will take a number of years. If the fees are increased at too fast a rate, the current users would find a less expensive option for their landfill needs. In recent prior years estimated revenues have been budgeted in excess of appropriations, As a consequence, the Solid Waste Enterprise cash balance has increased significantly.

In the 2013-14 Fiscal Year, in an attempt to resolve some of the financial issues, Recology Butte Colusa Counties, Inc. Entered into two franchise contract modifications with Colusa County to provide services for the collection of solid waste, recyclable materials and the operation of the Maxwell Transfer Station. Basically, the modifications required Recology to provide certain improvements to the Maxwell Transfer Station and take over certain personnel and other operation responsibilities, which they have done. Colusa County no longer has Solid Waste Enterprise fund employees.

Discussions will be held with the Chief Administrative Officer, Board of Supervisors, and Public Works personnel with a recommendation for the Board to adopt a "Resolution of Financial Responsibility" for the Stonyford landfill.

COUNTY OF COLUSA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2015

2015-003

Name: Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii
CFDA #: 14.228
Federal Grantor: U.S. Department of Housing and Urban Development
Pass Through Entity: State Department of Housing and Community Development
Award No.: Various
Year: 2014/15

Condition

During our audit of Grant Number 12-CDBG-8377 we noted that the department was not effectively reconciling funding requests to the County general ledger which resulted in the same expenditure being requested for reimbursement on two separate funding requests.

Perspective

Funding requests were not being effectively reconciled to the County general ledger.

Criteria

Grant accounting for the CDBG program requires that funding requests only be made for actual expenditures related to the grant.

Effect of Condition

The Department requested reimbursement for the same expenditure on two separate funds requests.

Questioned Costs

The questioned costs are \$95,336.

Recommendation

We recommend that the Department reconcile each fund requests to the general ledger to verify that expenditures are not reported duplicate times.

Corrective Action Plan

The Auditor-Controller's office, in conjunction with the Agriculture Department, who oversees this grant project, will conduct an internal audit of the entire grant. We will be sure that we can tie out all grant activity from the general ledgers to the funding requests to the subsequent receipt of reimbursement. Any discrepancies will be noted and followed up on in order to correct any errors.

COUNTY OF COLUSA
Schedule of Prior Year Findings and Questioned Costs
For the Year Ended June 30, 2015

<u>Audit Reference</u>	<u>Status of Prior Year Audit Recommendations</u>
2014-001	Capital Assets Recommendation We recommend that the County verify that all properties owned are properly recorded at actual historical cost or estimated historical cost. Status Not Implemented
2014-002	Solid Waste Recommendation We recommend that the County continue to monitor the funding provisions for this liability to ensure that appropriate steps are taken to ultimately fund this liability. We also recommend that the County ensure that an acceptable mechanism is in place to demonstrate financial responsibility for the closure/postclosure costs for the Stonyford landfill. Status Not Implemented

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Supplemental Schedules

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COUNTY OF COLUSA
Supplemental Schedule
California Department of Aging (CDA)
For the Year Ended June 30, 2015

A reconciliation of accrual basis expenditures as reported on the Financial Closeout Report to cash basis expenditures confirmed as of June 30, 2015 follows:

Program		Federal CFDA Number	Total Expenditures	Accrual Adjustments	Confirmed Amount
IIIB	Transportation	93.044	\$ 9,302	\$ -	\$ 9,302
IIIB	Transportation One Time Only	93.044	3,000	-	3,000
IIIC-1	Congregate	93.045	10,013	-	10,013
IIIC-1	Congregate One Time Only	93.045	1,462	-	1,462
IIIC-1	Congregate Nutrition Services Incentive Program One Time Only	93.045	245	-	-
IIIC-1	Congregate Nutrition Services Incentive Program	93.053	1,895	-	1,895
IIIC-2	Home Delivered Meals	92.045	27,271	-	27,271
IIIC-2	Home Delivered Meals One Time Only	93.045	1,796	-	1,796
IIIC-2	Home Delivered Meals, Nutrition Services Incentive	93.053	6,509	-	6,509
IIIC-2	Home Delivered Meals Nutrition Services Incentive Program One Time Only	93.045	477	-	477
Total Expenditures of CDA Federal Awards			<u>\$ 61,970</u>	<u>\$ -</u>	<u>\$ 61,970</u>

COUNTY OF COLUSA
Supplemental Schedule
California Emergency Management Agency
For the Year Ended June 30, 2015

The following schedule represents expenditures for U.S. Department of Justice grants passed through the State of California, Emergency Management Agency (CalEMA), as well as CalEMA funded grant expenditures for the year ended June 30, 2015. This information is included in the County's single audit report at the request of CalEMA.

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2014	For the Year Through June 30, 2015	Cumulative As Of June 30, 2015	Federal Share	State Share	County Share
<u>VW14190060 - Victim Witness Assistance</u>						
Personal services	\$ -	\$ 64,184	\$ 64,184	\$ 42,763	\$ 21,421	\$ -
Operating expenses	-	14,956	14,956	-	14,956	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ -</u>	<u>\$ 79,140</u>	<u>\$ 79,140</u>	<u>\$ 42,763</u>	<u>\$ 36,377</u>	<u>\$ -</u>