

**COUNTY OF YUBA**  
**SINGLE AUDIT REPORT**  
**YEAR ENDED JUNE 30, 2017**

CliftonLarsonAllen LLP



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING



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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**

The Honorable Board of Supervisors  
County of Yuba  
Marysville, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Yuba (the County), as of and for the year ended June 30, 2017, 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 26, 2018. Our report includes a reference to other auditors who audited the financial statements of Yuba County Water Agency and the Yuba First Five Commission, discretely presented component units, as described in our report on the County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**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 entity'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 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 material weaknesses. (2017-001 and 2017-002).

**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 Response to Findings**

The County's response to the findings identified in our audit are 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 the financial statements and, accordingly, we express no opinion on it.

**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 County'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 26, 2018



**INDEPENDENT AUDITOR'S 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 Yuba  
Marysville, California

**Report on Compliance for Each Major Federal Program**

We have audited the County of Yuba's (the County) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (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, 2017. 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.

The County's basic financial statements include the operations of the Yuba County Water Agency (Agency), a discretely presented component unit, which received \$423,990 in federal awards during the year ended June 30, 2017. Our audit, described below, did not include the operations of the Agency because the Agency engaged other auditors to perform an audit of compliance.

***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 (CFR) 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, 2017.

**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.

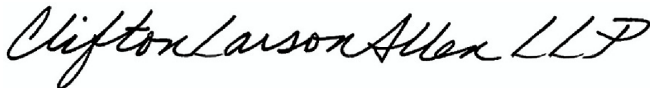
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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.

**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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended June 30, 2017, and have issued our report thereon dated March 26, 2018, that contained an unmodified opinion on those financial statements. We did not audit the financial statements of Yuba County Water Agency or Yuba First Five Commission, discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and in our opinion, insofar as it relates to the amounts included for Yuba County Water Agency and Yuba First Five Commission, is based solely on the reports of the other auditors. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. 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 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 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 financial statements or to the 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 expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



**CliftonLarsonAllen LLP**

Roseville, California  
March 26, 2018

**COUNTY OF YUBA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2017**

| Federal Grantor/Pass-through Grantor/Program Title  | Federal<br>CFDA<br>Number | Pass-Through<br>Entity Identifying<br>Number | Federal<br>Expenditures | Expenditures<br>to<br>Subrecipients |
|---|---------------------------|--|-------------------------|-------------------------------------|
| <b><u>U.S. Department of Agriculture</u></b>  |                           |  |                         |                                     |
| Passed through CA Department of Food and Agriculture:   |                           |  |                         |                                     |
| Plant and Animal Disease, Pest Control, and Animal Care   | 10.025                    | 16-8506-0484-CA                              | \$ 2,147                | \$ -                                |
| Plant and Animal Disease, Pest Control, and Animal Care   | 10.025                    | 17-8506-0484-CA                              | 802                     | -                                   |
| Subtotal - CFDA 10.025  |                           |  | 2,949                   | -                                   |
| Passed through CA State Department of Education:  |                           |  |                         |                                     |
| School Breakfast Program  | 10.553                    | 03109-SN-58-R                                | 23,009                  | -                                   |
| National School Lunch Program   | 10.555                    | 03109-SN-58-R                                | 43,906                  | -                                   |
| Subtotal - Child Nutrition Cluster  |                           |  | 66,915                  | -                                   |
| Passed through the State Department of Social Services:   |                           |  |                         |                                     |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - SNAP Education | 10.561                    | 13-20525                                     | 326,137                 | 319,666                             |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - NAFS           | 10.561                    |  | 2,200,929               | -                                   |
| Subtotal - SNAP Cluster   |                           |  | 2,527,066               | 319,666                             |
| Passed through Department of Forestry:  |                           |  |                         |                                     |
| Cooperative Forestry Assistance   | 10.664                    | 15UFSF-SFA-37608                             | 49,072                  | -                                   |
| Cooperative Forestry Assistance   | 10.664                    | 14-DG-11052021-221                           | 382                     | -                                   |
| Subtotal - CFDA 10.664  |                           |  | 49,454                  | -                                   |
| Total U.S. Department of Agriculture  |                           |  | \$ 2,646,384            | \$ 319,666                          |
| <b><u>U.S. Department of Housing and Urban Development</u></b>  |                           |  |                         |                                     |
| Passed through State Department of Housing and Community Development:                                   |                           |  |                         |                                     |
| Outstanding Loan Balance - CDBG   | 14.228                    |  | 4,964,057               | -                                   |
| Outstanding Loan Balance - EDBG   | 14.228                    |  | 236,716                 | -                                   |
| Subtotal - CDBG Cluster   |                           |  | 5,200,773               | -                                   |
| Outstanding Loan Balance-HOME   | 14.239                    |  | 2,855,506               | -                                   |
| Total U.S. Department of Housing and Urban Development  |                           |  | \$ 8,056,279            | \$ -                                |
| <b><u>U.S. Department of Justice</u></b>  |                           |  |                         |                                     |
| Direct Programs:  |                           |  |                         |                                     |
| State Criminal Alien Assistance Program   | 16.606                    |  | 212,156                 | -                                   |
| Bulletproof Vest Partnership Program  | 16.607                    |  | 2,797                   | -                                   |
| Equitable Sharing Program, Bulletproof Vest Partnership   | 16.922                    |  | 21,300                  | -                                   |
| Passed through the Governor's Office of Emergency Services:   |                           |  |                         |                                     |
| Crime Victim Assistance - Child Abuse Treatment and Advocacy  | 16.575                    | AT16020580                                   | 167,226                 | -                                   |
| County Victim Services (XC) Program   | 16.575                    | XC16010580                                   | 25,531                  | -                                   |
| Crime Victim Assistance - Victim Witness Assistance Program   | 16.575                    | VW16300580                                   | 232,185                 | -                                   |
| Subtotal - CFDA 16.575  |                           |  | 424,942                 | -                                   |
| Passed through the California Board of State & Community Corrections:                                   |                           |  |                         |                                     |
| Edward Byrne Memorial Justice Assistance Grant Program  | 16.738                    | 2016-DJ-BX-0175                              | 15,553                  | -                                   |
| Edward Byrne Memorial Justice Assitant Grant Program - Juvenile Accountability Block Grant              | 16.738                    | 178.05                                       | 296,616                 | -                                   |
| Edward Byrne Memorial Justice Assitant Grant Program - Prevention and Education Program At Risk Youth   | 16.738                    | BSCC 617-15 & 617-17                         | 223,909                 | -                                   |
| Subtotal - CFDA 16.738  |                           |  | 536,078                 | -                                   |
| Total U.S. Department of Justice  |                           |  | \$ 1,197,273            | \$ -                                |

See accompanying Notes to Schedule of Expenditures of Federal Awards.



**COUNTY OF YUBA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED JUNE 30, 2017**

| Federal Grantor/Pass-through Grantor/Program Title   | Federal<br>CFDA<br>Number | Pass-Through<br>Entity Identifying<br>Number | Federal<br>Expenditures | Expenditures<br>to<br>Subrecipients |
|--|---------------------------|--|-------------------------|-------------------------------------|
| <b><u>U.S. Department of Transportation</u></b>      |                           |  |                         |                                     |
| Direct Program:                                      |                           |  |                         |                                     |
| Airport Improvement Program                          | 20.106                    |  | \$ 164,652              | \$ -                                |
| Passed through State Department of Transportation:   |                           |  |                         |                                     |
| Highway Planning and Construction                    | 20.205                    | ATPL-5916 (113)                              | 740,190                 | -                                   |
| Highway Planning and Construction                    | 20.205                    | BRLO-5916 (074)                              | 343,433                 | -                                   |
| Highway Planning and Construction                    | 20.205                    | BRLO-5916 (084)                              | 80,379                  | -                                   |
| Highway Planning and Construction                    | 20.205                    | BRLO-5916 (087)                              | 1,588,926               | -                                   |
| Highway Planning and Construction                    | 20.205                    | BRLO-5916 (092)                              | 11,426                  | -                                   |
| Highway Planning and Construction                    | 20.205                    | BRLO-5916 (093)                              | 2,648                   | -                                   |
| Highway Planning and Construction                    | 20.205                    | BRLO-5916 (104)                              | 124,985                 | -                                   |
| Highway Planning and Construction                    | 20.205                    | BRLO-5916 (105)                              | 96,869                  | -                                   |
| Highway Planning and Construction                    | 20.205                    | BRLO-5916 (106)                              | 61,138                  | -                                   |
| Highway Planning and Construction                    | 20.205                    | BRLO-5916 (107)                              | 29,870                  | -                                   |
| Highway Planning and Construction                    | 20.205                    | CML-5916 (096)                               | 2,267,737               | -                                   |
| Highway Planning and Construction                    | 20.205                    | ER-32LO()                                    | 13,238                  | -                                   |
| Highway Planning and Construction                    | 20.205                    | ER-32LO(461)                                 | 7,449                   | -                                   |
| Highway Planning and Construction                    | 20.205                    | ER-36PO(001)                                 | 1,383                   | -                                   |
| Highway Planning and Construction                    | 20.205                    | ER-36PO(002)                                 | 19,475                  | -                                   |
| Highway Planning and Construction                    | 20.205                    | ER-36PO(003)                                 | 6,687                   | -                                   |
| Highway Planning and Construction                    | 20.205                    | HRRRL-5916 (100)                             | 968,635                 | -                                   |
| Highway Planning and Construction                    | 20.205                    | HRRRL-5916 (109)                             | 877,403                 | -                                   |
| Highway Planning and Construction                    | 20.205                    | HRRRL-5916 (110)                             | 81,904                  | -                                   |
| Highway Planning and Construction                    | 20.205                    | RPSTPL-5916 (116)                            | 226,971                 | -                                   |
| Highway Planning and Construction                    | 20.205                    | SKM-YUMCO-002                                | 4,959                   | -                                   |
| Highway Planning and Construction                    | 20.205                    | SKM-YUMCO-003                                | 9,525                   | -                                   |
| Highway Planning and Construction                    | 20.205                    | SKM-YUMCO-005                                | 16,960                  | -                                   |
| Highway Planning and Construction                    | 20.205                    | SKM-YUMCO-010                                | 463                     | -                                   |
| Highway Planning and Construction                    | 20.205                    | STPL-5916 (108)                              | 112,089                 | -                                   |
| Highway Planning and Construction                    | 20.205                    | STPL-5916 (112)                              | 9,478                   | -                                   |
| Highway Planning and Construction                    | 20.205                    | STPL-5916 (114)                              | 95,602                  | -                                   |
| Highway Planning and Construction                    | 20.205                    | STPL-5916 (118)                              | 1,171                   | -                                   |
| Highway Planning and Construction                    | 20.205                    | STPL-5916 (120)                              | 4,266                   | -                                   |
| Highway Planning and Construction                    | 20.205                    | STPL-5916 (121)                              | 873                     | -                                   |
| Highway Planning and Construction                    | 20.205                    | STPLR-7500 (215)                             | 325,178                 | -                                   |
| Subtotal - Highway Planning and Construction Cluster |                           |  | 8,131,310               | -                                   |
| Passed through the State Office of Traffic Safety:   |                           |  |                         |                                     |
| National Priority Safety Programs                    | 20.616                    | OP1715                                       | 47,023                  | -                                   |
| Subtotal - Highway Safety Cluster                    |                           |  | 47,023                  | -                                   |
| Total U.S. Department of Transportation              |                           |  | \$ 8,342,985            | \$ -                                |
| <b><u>U.S. Election Assistance Commission</u></b>    |                           |  |                         |                                     |
| Passed through CA Secretary of State                 |                           |  |                         |                                     |
| VoteCal Statewide Voter Registration System Project  | 90.401                    | 13G30360                                     | 14,852                  | -                                   |
| Total U.S. Election Commission                       |                           |  | \$ 14,852               | \$ -                                |

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF YUBA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED JUNE 30, 2017**

| Federal Grantor/Pass-through Grantor/Program Title                        | Federal<br>CFDA<br>Number | Pass-Through<br>Entity Identifying<br>Number | Federal<br>Expenditures | Expenditures<br>to<br>Subrecipients |
|---|---------------------------|--|-------------------------|-------------------------------------|
| <b>U.S. Department of Health and Human Services</b>                       |                           |  |                         |                                     |
| Passed through the State Department of Child Support Services:            |                           |  |                         |                                     |
| Child Support Enforcement   | 93.563                    |  | \$ 2,172,870            | \$ -                                |
| Passed through the State Department of Health Care Services:              |                           |  |                         |                                     |
| Maternal & Child Health Federal Consolidated Programs                     | 93.110                    | 2015-58                                      | 55,887                  | -                                   |
| Tuberculosis Program  | 93.116                    | 1U52PS004656                                 | 47,094                  | -                                   |
| Immunization Grant  | 93.268                    | 15-10467                                     | 20,774                  | -                                   |
| Children's Health Insurance Program - California Children Services        | 93.767                    | 490-14                                       | 51,720                  | -                                   |
| Maternal & Child Health Services Block Grant to the States                | 93.994                    | 2015-58                                      | 84,129                  | -                                   |
| Medical Assistance Program - Public Authority                             | 93.778                    |  | 320,350                 | -                                   |
| Medical Assistance Program - California Children Services                 | 93.778                    | 490-14                                       | 223,373                 | -                                   |
| Medical Assistance Program - Targeted Case Management HLTH                | 93.778                    | 58-1318A                                     | 15,257                  | -                                   |
| Medical Assistance Program - Targeted Case Management P/G                 | 93.778                    | 58-0712                                      | 28,740                  | -                                   |
| Medical Assistance Program - Adult Protective Services                    | 93.778                    |  | 173,742                 | -                                   |
| Medical Assistance Program - Child Health and Disability Program          | 93.778                    | 490-14                                       | 134,120                 | -                                   |
| Medical Assistance Program - Child Welfare Services Health Related        | 93.778                    |  | 303,877                 | -                                   |
| Medical Assistance Program - Foster Care                                  | 93.778                    | 490-14                                       | 102,841                 | -                                   |
| Medical Assistance Program - Medi-Cal Administrative                      | 93.778                    |  | 3,411,067               | -                                   |
| Medical Assistance Program - Medi-Cal Administrative Activities (MAA)     | 93.778                    | 13-90002                                     | 12,522                  | -                                   |
| Passed through State Department of Aging:                                 |                           |  |                         |                                     |
| Multipurpose Senior Services Program (MSSP)                               | 93.778                    |  | 124,663                 | -                                   |
| Passed through State Department of Social Services:                       |                           |  |                         |                                     |
| Medical Assistance Program - In-Home Supportive Service                   | 93.778                    |  | 708,514                 | -                                   |
| Subtotal - Medicaid Cluster   |                           |  | 5,559,066               | -                                   |
| Passed through the State Department of Public Health:                     |                           |  |                         |                                     |
| Public Health Emergency Preparedness                                      | 93.069                    | 14-10560A02                                  | 142,295                 | -                                   |
| Public Health Emergency Preparedness - EBOLA                              | 93.069                    | 15-10401                                     | 28,989                  | -                                   |
| Subtotal - CFDA 93.069  |                           |  | 171,284                 | -                                   |
| Guardianship Assistance - KinGAP  | 93.090                    |  | 606                     | -                                   |
| Guardianship Assistance - FEDGAP  | 93.090                    |  | 13,215                  | -                                   |
| Subtotal - CFDA 93.090  |                           |  | 13,821                  | -                                   |
| Passed through the State Department of Social Services:                   |                           |  |                         |                                     |
| Promoting Safe and Stable Families  | 93.556                    |  | 17,197                  | -                                   |
| Adoption and Legal Guardianship Incentive                                 | 93.603                    |  | 9                       | -                                   |
| Voting Access for Individuals with Disabilities                           | 93.617                    | 14G26151                                     | 11,485                  | -                                   |
| Stephanie Tubbs Jones Child Welfare Services Program - IV-B               | 93.645                    |  | 72,958                  | -                                   |
| Social Services Block Grant - CWS Title XX Ledger Shift/Augment           | 93.667                    |  | 206,857                 | -                                   |
| Chafee Foster Care Independence Program                                   | 93.674                    |  | 66,263                  | -                                   |
| Temporary Assistance for Needy Families - CalWORKS, TANF                  | 93.558                    |  | 5,982,948               | -                                   |
| Temporary Assistance for Needy Families - CalWORKS Approved Relative Care | 93.558                    |  | 14,949                  | -                                   |
| Temporary Assistance for Needy Families - Child Welfare Services TANF     | 93.558                    |  | 347,184                 | -                                   |
| Temporary Assistance for Needy Families - Timed Out, CalWORKS KINGAP      | 93.558                    |  | 2,783,135               | -                                   |
| Subtotal - CFDA 93.558  |                           |  | 9,128,216               | -                                   |

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF YUBA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED JUNE 30, 2017**

| Federal Grantor/Pass-through Grantor/Program Title                      | Federal<br>CFDA<br>Number | Pass-Through<br>Entity Identifying<br>Number | Federal<br>Expenditures | Expenditures<br>to<br>Subrecipients |
|---|---------------------------|--|-------------------------|-------------------------------------|
| <b><u>U.S. Department of Health and Human Services (continued):</u></b> |                           |  |                         |                                     |
| Passed through the State Department of Social Services (continued):     |                           |  |                         |                                     |
| Foster Care - Title IV-E - Child Welfare Services                       | 93.658                    |  | 1,312,809               | -                                   |
| Foster Care - Title IV-E - Foster Care                                  | 93.658                    |  | 60,324                  | -                                   |
| Foster Care - Title IV-E - Foster Family Home Licensing                 | 93.658                    |  | 1,206                   | -                                   |
| Foster Care Title IV-E - Monthly Visits-Group Home                      | 93.658                    |  | 17,647                  | -                                   |
| Foster Care Title IV-E - Non CWS Allocation                             | 93.658                    |  | 74,139                  | -                                   |
| Foster Care Title IV-E -CSEC  | 93.658                    |  | 15,369                  | -                                   |
| Foster Care Assistance EA   | 93.658                    |  | 1,832,657               | -                                   |
| Subtotal - CFDA 93.658  |                           |  | 3,314,151               | -                                   |
| Adoption Assistance -IV-E Administration                                | 93.659                    |  | 28,697                  | -                                   |
| Adoption Assistance -Independent & Case Management                      | 93.659                    |  | 158,622                 | -                                   |
| Adoption Assistance -Non-Recurring Adoption Expense                     | 93.659                    |  | 1,365                   | -                                   |
| Adoption Assistance   | 93.659                    |  | 2,088,620               | -                                   |
| Subtotal - CFDA 93.659  |                           |  | 2,277,304               | -                                   |
| Total U.S. Department of Health and Human Services                      |                           |  | \$ 23,271,085           | \$ -                                |
| <b><u>U.S. Department of Homeland Security</u></b>                      |                           |  |                         |                                     |
| Passed through the State Governor's Office of Emergency Services:       |                           |  |                         |                                     |
| Emergency Management Performance Grants                                 | 97.042                    | 2016-0010                                    | 140,367                 | -                                   |
| Disaster Grants-Public Assistance (Presidentially Declared Disasters)   | 97.036                    | DR 4301-CA                                   | 62,103                  | -                                   |
| Disaster Grants-Public Assistance (Presidentially Declared Disasters)   | 97.036                    | DR 4308-CA                                   | 108,141                 | -                                   |
| Subtotal - CFDA 97.036  |                           |  | 170,244                 | -                                   |
| Homeland Security Grant Program - 2014                                  | 97.067                    | 2014-0093                                    | 92,769                  | -                                   |
| Homeland Security Grant Program - 2015                                  | 97.067                    | 2015-SS-00078                                | 101,194                 | -                                   |
| Subtotal - CFDA 97.0067   |                           |  | 193,963                 | -                                   |
| Total U.S. Department of Homeland Security                              |                           |  | \$ 504,574              | \$ -                                |
| <b>Total Expenditures of Federal Awards</b>                             |                           |  | <b>\$ 44,033,432</b>    | <b>\$ 319,666</b>                   |

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF YUBA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2017**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards 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), and presents the activity of all federal awards programs of the County of Yuba for the year ended June 30, 2017, except for federal awards received by the Yuba County Water Agency. Yuba County Water Agency engaged other auditors to perform an audit in accordance with the requirements of 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 2017 *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, 2017 as follows:

| <u>CFDA No.</u> | <u>Federal Program</u>                              | <u>Outstanding<br/>Loans</u> | <u>Loans with<br/>Continuing<br/>Compliance<br/>Requirements</u> | <u>New Loans</u> |
|-----------------|---|------------------------------|--|------------------|
| 14.228          | Community Development Block<br>Grant/States Program | \$ 5,032,308                 | \$ 5,200,773   | \$ -             |
| 14.239          | Home Investment Partnership<br>Program              | 2,838,506                    | 2,855,506  | -                |

**COUNTY OF YUBA  
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
 YEAR ENDED JUNE 30, 2017**

**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 DEPARTMENT OF AGING FEDERAL/STATE SHARE**

During the fiscal year ended June 30, 2017, the County expended the following amounts under grants which pass through the California Department of Aging:

| <u>CFDA No.</u> | <u>Federal Program</u> | <u>Federal<br/>Expenditures</u> | <u>State<br/>Expenditures</u> |
|-----------------|------------------------|---------------------------------|-------------------------------|
| 93.778          | Medicaid Cluster       | \$124,663                       | \$124,663                     |

**COUNTY OF YUBA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2017**

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**Section I – Summary of Auditors’ Results**

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**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 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   |
|----------------|--|
| 93.558         | Temporary Assistance for Needy Families  |
| 93.659         | Adoption Assistance  |
| 93.658         | Foster Care – Title IV-E   |
| 14.228         | Community Development Block Grants/ State’s Program and Non-Entitlement Grants in Hawaii |

Dollar threshold used to distinguish between Type A and Type B programs: \$   1,321,003  

Auditee qualified as low-risk auditee?            yes     x     no

**COUNTY OF YUBA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2017**

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***Section II – Financial Statement Findings***

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**2017-001 ACCOUNTS PAYABLE COMPLETENESS**

Type of Finding: Material Weakness

**Condition:** The County did not properly accrue for a wire transfer for construction services performed prior to June 30, 2017.

**Criteria:** Under generally accepted accounting principles, expenditures for goods and services should be recorded to the correct period regardless of when the payment is made.

**Context:** During the audit, a \$560,168 wire payment made to a contractor for services performed prior to June 30, 2017 was identified. This payment was not accrued to the year ended June 30, 2017.

**Effect:** An audit adjustment of \$560,168 increasing accounts payable and capital outlay was made in the Debt Financed Capital Projects fund. In addition, this transaction resulted in an addition to Construction in Progress of \$560,168 for governmental activities.

**Cause:** The County does not have an adequate process in place to review whether wire transfers made after year end pertain to the prior fiscal year.

**Repeat Finding:** This is not a repeat finding.

**Recommendation:** We recommend that the County establish procedures for reviewing wire transfers to ensure the year-end accounts payable balance is complete.

**Views of responsible officials and planned corrective actions:** The County agrees with the audit finding. We will incorporate wire transfers in our year end accrual review process starting with the FY 2017/18 audit.

**2017-002 CAPITAL LEASE ISSUANCE**

Type of Finding: Material Weakness

**Condition:** The County did not properly record the issuance of new debt issued during the year.

**Criteria:** Under generally accepted accounting principles, the value of a capital lease should be reported as an expenditure and as an "other financing source", consistent with the accounting and financial reporting for general obligation bonded debt.

**Context:** During the audit, we discovered that the County had agreed to additional capital lease obligations of \$300,891, which were not recorded by the County, to finance the costs of refinancing the capital lease with the Yuba County Water Agency.

**Effect:** An audit adjustment of \$300,891 was proposed and recorded to increase other financing sources and debt service expenditures in the Debt Service fund and increase the capital leases liability by \$300,891 in the government-wide statements.

**COUNTY OF YUBA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2017**

**Cause:** The County does not have an adequate process in place to ensure that all noncash transactions relating to long term debt are accurately reflected in the financial statements.

**Repeat Finding:** This is not a repeat finding.

**Recommendation:** We recommend that the County improve its processes for recording long term debt transactions in order to accurately reflect the balances of all of the County's debt in the financial statements.

**Views of responsible officials and planned corrective actions:** The County agrees with the finding presented. We will be working with the CAO's Office to ensure we are receiving all documentation for long term debt so that we can record all transactions properly and timely throughout the year.

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***Section III – Findings and Questioned Costs – Major Federal Programs***

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



# The County of Yuba



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## Office of the Auditor-Controller

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### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

The County of Yuba respectfully submits the following summary schedule of prior audit findings for the year ended June 30, 2016.

Audit Period: July 1, 2015 – June 30, 2016

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

##### 2016-001 – GOVERNMENTAL TRUST FUNDS

**Condition:** During the audit, we identified 90 funds having cash balances of approximately \$41 million that were incorrectly accounted for as agency funds in the County's accounting system. These funds hold resources acquired to support the County's functions and activities. Nearly all of the transactions in these funds for the fiscal year ended June 30, 2016, were recorded as miscellaneous revenues. Inflows of revenues and transfers from other funds were netted against outflows of expenditures and transfers to other funds.

**Status:** The County has implemented procedures to address the finding for the year ended June 30, 2017.