

**COUNTY OF SHASTA
SINGLE AUDIT REPORT
JUNE 30, 2015**

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COUNTY OF SHASTA

Single Audit Report
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**

Board of Supervisors and Grand Jury
County of Shasta
Redding, 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Shasta, California (the "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 December 22, 2015. Our report includes a reference to other auditors who audited the financial statements of First 5 Shasta, as described in our report on the County's financial statements. This report does not include the results of the other auditors' 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 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 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*.

Board of Supervisors and Grand Jury
County of Shasta

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 that reads "Gallina LLP".

Roseville, California
December 22, 2015

**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 OMB CIRCULAR A-133**

Board of Supervisors and Grand Jury
County of Shasta
Redding, California

Report on Compliance for Each Major Federal Program

We have audited the County of Shasta’s (the “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.

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.

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended June 30, 2015, and have issued our report thereon dated December 22, 2015, which contained an unmodified opinion on those financial statements. 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 OMB Circular A-133 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.

Board of Supervisors and Grand Jury
County of Shasta

Other Matters

The Supplementary Schedule of the Governor's Office of Emergency Services Grant Expenditures and the Supplementary Schedules of the Department of Community Services and Development Grant Revenues and Expenditures have not been subjected to auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

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

Roseville, California
December 22, 2015

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COUNTY OF SHASTA

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's Number	Disbursements/ Expenditures
<u>U.S. Department of Agriculture</u>			
Passed through State Department of Food and Agriculture:			
Plant and Animal Disease, Pest Control, and Animal Care			
Pierce's Disease Program	10.025	15-8506-0484-CA	\$ 52,740
Light Brown Apple Moth Program	10.025	15-8506-1164-CA	765
Pest Detection Trapping	10.025	2013-37	2,311
Asian Defoliating Moth	10.025	14-8506-0689-CA	2,930
Phytophthora Ramorum (Sudden Oak Death)	10.025	14-8506-0572-CA	600
Enhanced Exotic Pest Detection	10.025	13-8506-1399-CA	1,505
Subtotal CFDA Number 10.025			<u>60,851</u>
USFS State & Private Forestry Weed Control	10.680	14-DG-11052021-204	7,946
USFS State & Private Forestry Weed Control	10.680	10-DG-11052021-037	4,224
Subtotal CFDA Number 10.680			<u>12,170</u>
Passed through State Department of Education:			
School Breakfast Program	10.553	--	15,621
National School Lunch Program	10.555	--	29,598
Subtotal Child Nutrition Cluster			<u>45,219</u>
Passed through State Department of Forestry and Fire:			
Cooperative Forestry Assistance:			
Volunteer Fire Assistance	10.664	7FG14080	9,908
Passed through State Department of Public Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children - Administrative	10.557	--	1,626,303
Passed through State Department of Health Care Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program			
California Nutrition Network	10.561	51360	809,794
Passed through State Department of Social Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program			
	10.561	--	4,536,687
Passed through the State of California:			
Schools and Roads - Grants to States	10.665	--	839,402
Total U.S. Department of Agriculture			<u>\$ 7,940,334</u>

See Notes to the Schedule of Expenditures of Federal Awards

COUNTY OF SHASTA

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's Number	Disbursements/ Expenditures
<u>U.S. Department of Housing and Urban Development</u>			
Direct Programs:			
Section 8 Housing Choice Vouchers	14.871	CA096	\$ 4,816,543
Family Self-Sufficiency Program	14.896	CA096FSH103A014	14,380
Subtotal Direct			<u>4,830,923</u>
Passed through the State Department of Housing and Community Development:			
Community Development Block Grant/State's Program	14.228	--	591
Community Development Block Grant/State's Program	14.228	13-CDBG-8966	1,972
Community Development Block Grant/State's Program - Outstanding Loan Balance	14.228	--	<u>4,208,166</u>
Subtotal CFDA Number 14.228			<u>4,210,729</u>
HOME Investment Partnerships Program	14.239	--	242,424
HOME Investment Partnerships Program - Outstanding Loan Balance	14.239	--	<u>5,297,497</u>
Subtotal CFDA Number 14.239			<u>5,539,921</u>
Subtotal Pass-Through			<u>9,750,650</u>
Passed through City of Redding			
Community Development Block Grant/Entitlement Program	14.218	--	<u>20,000</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 14,601,573</u>
<u>U.S. Department of Justice</u>			
Direct Programs:			
Equitable Sharing Agreement - Asset Forfeiture	16.922		557,475
State Criminal Alien Assistance Program	16.606	--	3,894
Edward Byrne Memorial Justice Assistance Grant Program			
Local Law Enforcement Block Grant	16.738	--	188
Organized Crime Drug Enforcement Task Forces	16.111		<u>8,278</u>
Subtotal Direct Programs			<u>569,835</u>
Passed through the Governor's Office of Emergency Services:			
Victim Witness Assistance Program VOCA	16.575	VW14310450	83,571
Edward Byrne Memorial Justice Assistance Grant Program - Anti-Drug Abuse Program	16.738	DC10230450	55,460
Marijuana Suppression Grant	16.738	BSC -671-12	<u>151,631</u>
Subtotal Pass-Through			<u>290,662</u>
Total U.S. Department of Justice			<u>\$ 860,497</u>

See Notes to the Schedule of Expenditures of Federal Awards

COUNTY OF SHASTA

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's Number	Disbursements/ Expenditures
<u>U.S. Department of Transportation</u>			
Direct Program:			
Airport Improvement Program	20.106	--	\$ 21,182
Passed through State Department of Transportation:			
Safe Routes to School	20.205	--	112,910
Highway Planning and Construction	20.205	BHLS-5906(077)	91,678
Highway Planning and Construction	20.205	BRLO-5906(104)	31,067
Highway Planning and Construction	20.205	BRLS-5906(107)	59,036
Highway Planning and Construction	20.205	BRLO-5906(106)	48,301
Highway Planning and Construction	20.205	BRLS-5906(105)	34,173
Highway Planning and Construction	20.205	BRLO-5906(087)	32,053
Highway Planning and Construction	20.205	BRLO-5906(089)	636,579
Highway Planning and Construction	20.205	BRLO-5906(117)	16,996
Highway Planning and Construction	20.205	BRLO-5906(100)	35,885
Highway Planning and Construction	20.205	BRLS-5906(119)	21,763
Highway Planning and Construction	20.205	BRLS-5906(124)	2,348
Highway Planning and Construction	20.205	BRLS-5906(111)	26,061
Highway Planning and Construction	20.205	BRLS-5906(088)	68,401
Highway Planning and Construction	20.205	HSIPL-5906(118)	38,863
Highway Planning and Construction	20.205	HSIPL-5906(122)	39,072
Highway Planning and Construction	20.205	HRRRL-5906(092)	254,149
Highway Planning and Construction	20.205	HRRRL-5906(115)	38,227
Highway Planning and Construction	20.205	HRRRL-5906(093)	876,655
Highway Planning and Construction	20.205	HSIPL-5906(120)	1,764
Highway Planning and Construction	20.205	HSIPL-5906(110)	571,050
Subtotal CFDA Number 20.205			<u>3,037,031</u>
Formula Grants for Other Than Urbanized Areas	20.509	--	334,830
Job Access Reverse Commute - FTA Section 5316	20.516	--	<u>118,208</u>
Passed through State Office of Traffic Safety:			
National Highway Safety Administration - State and Highway Safety			
Alcohol and Drug Impaired Vertical Prosecution Program	20.616	DI1502	164,466
Alcohol and Drug Impaired Vertical Prosecution Program	20.616	DI1414	68,947
Subtotal CFDA Number 20.616			<u>233,413</u>
Alcohol Impaired Driving Countermeasures Incentive Grant I			
Drive Safe and Sober Education Program	20.608	AL1415, AL1528	<u>110,762</u>
Total U.S. Department of Transportation			<u>\$ 3,855,426</u>

See Notes to the Schedule of Expenditures of Federal Awards

COUNTY OF SHASTA

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's Number	Disbursements/ Expenditures
<u>U.S. Environmental Protection Agency</u>			
Passed through Air Pollution Control Officers Association:			
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act EPA Particulate Monitoring 2.5	66.034	AQS060890004	\$ 5,100
Total U.S. Environmental Protection Agency			\$ 5,100
<u>U.S. Department of Education</u>			
Passed through State Department of Rehabilitation:			
Rehabilitation Services-Vocational Rehabilitation Grants to States	84.126		220,000
Total U.S. Department of Education			\$ 220,000
<u>U.S. Department of Health and Human Services</u>			
Passed through Secretary of State:			
Voting Access for Individuals with Disabilities - Grants to States	93.617	13G26129	7,295
Voting Access for Individuals with Disabilities - Grants to States	93.617	14G26141	7,495
Subtotal CFDA Number 93.617			14,790
Passed through State Department of Alcohol & Drug Prevention:			
Block Grants for Prevention & Treatment of Substance Abuse	93.959	--	1,088,838
Passed through Public Health Institute:			
Community Transformation Grant	93.531	--	77,909
Passed through the State Department of Mental Health:			
Projects for Assistance in Transition from Homelessness (PATH)	93.150	--	64,567
Passed through State Department of Health Care Services:			
Childhood Lead Poisoning Prevention Projects	93.197	51701	914
Childhood Lead Poisoning Prevention Projects	93.197	51702	21,141
Childhood Lead Poisoning Prevention Projects	93.197	51703	5,513
Subtotal CFDA Number 93.197			27,568
Tuberculosis Real-Time Allotment	93.116	--	6,573
Immunization Grants	93.268	--	62,421
CalHeers, Covered California	93.525		1,975
HIV Surveillance	93.944	--	14,354
Block Grants for Community Mental Health Services			
Substance Abuse and Mental Health Services Administration	93.958	--	325,268
Centers for Disease Control and Prevention Investigation and Technical Assistance Bioterrorism Preparedness	93.283	14-10544	719,438
Subtotal			1,130,029

See Notes to the Schedule of Expenditures of Federal Awards

COUNTY OF SHASTA

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's Number	Disbursements/ Expenditures
<u>U.S. Department of Health and Human Services (continued)</u>			
Passed through State Department of Health Care Services (continued):			
Medical Assistance Program:			
Adult Protective Services (Health-related)	93.778	--	\$ 446,468
Child Welfare Services (Health-related)	93.778	--	1,252,713
Children's Medical Services	93.778	--	689,610
Child Health and Disability Program (CHDP)	93.778	--	395,274
Medi-Cal Administrative Activities (MAA)	93.778	--	1,069,042
Targeted Case Management (TCM)	93.778	95922	114,742
Medi-Cal Administrative Activities (MAA)	93.778	95918	155,460
			<u>4,123,309</u>
Preventive Health Services-Sexually Transmitted Diseases Research, Demonstrations, and Public Information and Education	93.978	53117	<u>12,941</u>
Maternal & Child Health Services Block Grant to States (MCAH)	93.994	53107	782,059
Maternal & Child Health Services Block Grant to States (MCAH)	93.994	53117	72,492
Maternal & Child Health Services Block Grant to States (MCAH)	93.994	53118	134,957
Subtotal CFDA Number 93.994			<u>989,508</u>
Subtotal Pass-Through			<u>6,283,355</u>
Passed through State Department of Social Services:			
Guardian Assistance	93.090		<u>16,728</u>
Temporary Assistance for Needy Families:			
CalWORKS Assistance Payments, Diversion	93.558	--	4,488,717
CalWORKS, Child Welfare Services TANF	93.558	--	9,714,226
Subtotal CFDA Number 93.558			<u>14,202,943</u>
Commercially Sexually Exploited Children	93.598		<u>6,539</u>
Foster Care - Title IV-E:			
CWS - Title IV-E, Foster Care, State Automated Child Welfare Information System, Non-CWS Programs, Licensing	93.658	--	3,064,735
Foster Care - Title IV-E - AFDC Foster Care, Wraparound Foster Care Placement	93.658	--	3,764,003
Foster Care - Title IV-E (Probation)	93.658	--	133,179
Subtotal CFDA Number 93.658			<u>6,961,917</u>
Promoting Safe and Stable Families (PSSF)	93.556	--	152,416
Child Welfare Services State Grants	93.645	--	158,426
Community Based Child Abuse Prevention	93.590	--	15,508
Adoption Assistance	93.659	--	5,605,116
Social Services Block Grant:			
Child Welfare Services (CWS) Title XX - Licensing Title XX	93.667	--	830,933
CalWorks Single XX	93.667	--	265,137
Subtotal CFDA Number 93.667			<u>1,096,070</u>

See Notes to the Schedule of Expenditures of Federal Awards

COUNTY OF SHASTA

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's Number	Disbursements/ Expenditures
<u>U.S. Department of Health and Human Services (continued)</u>			
Passed through State Department of Social Services (continued):			
Chafee Foster Care Independence Program	93.674	--	\$ 86,103
Medical Assistance Program Administration	93.778	--	4,086,623
IHSS Public Authority	93.778	--	174,930
In-Home Supportive Services Admin (Health-related)	93.778	--	1,547,871
Subtotal Pass-Through			<u>34,111,190</u>
Passed through State Department of Child Support Services:			
Child Support Enforcement	93.563	--	<u>4,736,319</u>
Passed through State Department of Community Services and Development:			
Community Services Block Grant	93.569	14F-3044	153,633
Community Services Block Grant	93.569	15F-2044	134,006
Subtotal CFDA Number 93.569			<u>287,639</u>
Total U.S. Department of Health and Human Services			<u>\$ 46,664,607</u>
<u>Executive Office of the President</u>			
Pass-Through Central Valley California HIDTA:			
High Intensity Drug Trafficking Areas Program	95.001		<u>2,951</u>
Total Executive Office of the President			<u>\$ 2,951</u>
<u>U.S. Department of Homeland Security</u>			
Direct Programs:			
Emergency Food and Shelter National Board Program	97.024	Phase 31	2,235
Staffing for Adequate Fire and Emergency Response	97.083	--	512,503
Subtotal Direct Programs			<u>514,738</u>
Passed through California Division of Boating and Waterways:			
Boating Safety Financial Assistance	97.012	--	<u>2,673</u>
Passed through the Governor's Office of Emergency Services:			
Fire Management Assistance Grant	97.046	--	110,634
Emergency Management Performance Grants	97.042	--	162,774
Homeland Security Grant Program	97.067	2013-0110,2014-0093	107,104
Subtotal Pass-Through			<u>380,512</u>
Passed through the State Department of Homeland Security:			
State Homeland Security Program - SHSP (FY 2014)	97.073	--	20,602
State Homeland Security Program - SHSP (FY 2013)	97.073	--	38,930
Homeland Security Grant 2013	97.073	--	26,523
Subtotal CFDA Number 97.067			<u>86,055</u>
Total U.S. Department of Homeland Security			<u>\$ 983,978</u>
Total Expenditures of Federal Awards			<u><u>\$ 75,134,466</u></u>

See Notes to the Schedule of Expenditures of Federal Awards

COUNTY OF SHASTA

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

NOTE 1: REPORTING ENTITY

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the County of Shasta. The County of Shasta'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.

NOTE 2: BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the County and is presented on Generally Accepted Accounting Principles. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the County's basic financial statements.

NOTE 3: RELATIONSHIP TO FINANCIAL STATEMENTS

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree, in all material respects, to amounts reported within the County's financial statements. Federal award revenues are reported principally in the County's financial statements as intergovernmental revenues in the General and Special Revenue funds and grant revenue in the Enterprise funds.

NOTE 4: SUBRECIPIENTS

Of the federal expenditures presented in the Schedule of Expenditures of Federal Awards, the County of Shasta provided federal awards to subrecipients as follows:

<u>Federal CFDA No.</u>	<u>Program Title</u>	<u>Amount Provided to Subrecipients</u>
10.665	Schools and Roads - Grants to States	\$ 70,244
16.738	Edward Byrne Memorial JAG Program - Anti-Drug Abuse Program	15,390
16.738	Edward Byrne Memorial JAG Program - Marijuana Suppression Grant II	122,046
93.150	Projects for Assistance in Transition from Homelessness (PATH)	7,337
93.959	Block Grants for Prevention & Treatment of Substance Abuse	4,950
97.067	Homeland Security Grant Program	159,341

COUNTY OF SHASTA

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

NOTE 5: PROGRAM CLUSTERS

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

<u>Federal CFDA No.</u>	<u>Program Title</u>	<u>Federal Expenditures</u>
<u>Child Nutrition Cluster</u>		
10.553	School Breakfast Program	\$ 15,621
10.555	National School Lunch Program	<u>29,598</u>
	Total	<u><u>\$ 45,219</u></u>

NOTE 6: TOTAL FEDERAL AWARDS EXPENDED BY CFDA NUMBER

When there is more than one program under a single CFDA number, the Schedule of Expenditures of Federal Awards totals all programs under the one CFDA number. Occasionally, however, this total could not be conveniently displayed because all programs under one CFDA number were not contiguous. When this occurred, this total is not shown in the Schedule, but instead is provided below:

<u>CFDA No.</u>	<u>Total Federal Expenditures</u>
10.561	\$ 5,346,481
16.738	207,279
93.778	9,932,733

NOTE 7: 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 either determined that no identifying number is assigned for the program or was simply unable to obtain an identifying number from the pass-through entity.

COUNTY OF SHASTA

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

NOTE 8: LOANS WITH CONTINUING COMPLIANCE REQUIREMENT

Outstanding federally-funded program loans, with a continuing compliance requirement, carried balances as of June 30, 2015 as follows:

	<u>CDBG</u> 14.228	<u>HOME</u> 14.239
Loan Balance, Outstanding July 1, 2014	\$ 4,208,166	\$ 5,297,497
Fiscal Year 2015 Loan Disbursements	-	-
Loan Balance, Outstanding June 30, 2015	<u>\$ 4,208,166</u>	<u>\$ 5,297,497</u>

NOTE 9: OTHER LOANS

Outstanding federally-funded program loans, carried balances as of June 30, 2015 as follows:

Federal CFDA No.	Program Title	Amount Outstanding	
		<u>July 1, 2014</u>	<u>June 30, 2015</u>
10.760	Water and Waste Disposal Systems for Rural Counties	\$ 729,900	\$ 715,500
66.468	Capitalization Grants for Drinking Water State Revolving Funds	3,673,593	3,602,114
81.041	State Energy Program	463,405	425,241

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COUNTY OF SHASTA

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

Section 1

Financial Statements

Summary of Auditor's Results

- | | |
|--|---------------|
| 1. Type of auditor's report issued: | Unmodified |
| 2. Internal controls over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None Reported |
| 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? | None Reported |
| 2. Type of auditor's report issued on compliance for major programs: | Unmodified |
| 3. Any audit findings disclosed that are required to be reported in accordance with Circular OMB A-133, Section 510(a)? | No |
| 4. Identification of major programs: | |

CFDA Number

Name of Federal Program

93.558
93.658
93.659

Temporary Assistance for Needy Families
Foster Care – Title IV-E
Adoption Assistance

- | | |
|---|--------------|
| 5. Dollar Threshold used to distinguish between Type A and Type B programs? | \$ 2,254,033 |
| 6. Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 530? | Yes |

Section 2

Financial Statement Findings

None Reported.

Section 3

Federal Award Findings and Questioned Costs

None Reported.

COUNTY OF SHASTA

Summary Schedule of Prior Audit Findings
Federal Award Findings and Questioned Costs
For the Year Ended June 30, 2015

There were no prior audit findings.

**SUPPLEMENTARY SCHEDULE OF
THE GOVERNOR'S OFFICE OF EMERGENCY SERVICES
GRANT EXPENDITURES**

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COUNTY OF SHASTA

Schedule of the Governor's Office of Emergency Services
For the Year Ended June 30, 2015

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2014	For the Year Ended June 30, 2015	Cumulative As of June 30, 2015	Federal Share	State Share	County Share
	<hr/>					
Victim Witness Assistance Program (VOCA) - VW14310450						
Personal services	\$ 167,450	\$ 167,058	\$ 334,508	\$ 76,747	\$ 90,311	\$ --
Operating expenses	14,298	21,514	35,812	6,824	14,690	--
Totals	<u>\$ 181,748</u>	<u>\$ 188,572</u>	<u>\$ 370,320</u>	<u>\$ 83,571</u>	<u>\$ 105,001</u>	<u>\$ --</u>
<hr/>						
Edward Byrne Memorial Justice Assistance Grant Program - Anti-Drug Abuse Program - BSCC 607-13						
Personal services	\$ 11,393	\$ 40,070	\$ 51,463	\$ 40,070	\$ --	\$ --
Operating expenses	61,460	15,390	76,850	15,390	--	--
Totals	<u>\$ 72,853</u>	<u>\$ 55,460</u>	<u>\$ 128,313</u>	<u>\$ 55,460</u>	<u>\$ --</u>	<u>\$ --</u>
<hr/>						
Edward Byrne Memorial Justice Assistance Grant Program - Marijuana Suppression Grant II - MS10010450						
Personal services	\$ 85,814	\$ 29,585	\$ 115,399	\$ 29,585	\$ --	\$ --
Operating expenses	82,334	122,046	204,380	122,046	--	--
Totals	<u>\$ 168,148</u>	<u>\$ 151,631</u>	<u>\$ 319,779</u>	<u>\$ 151,631</u>	<u>\$ --</u>	<u>\$ --</u>
<hr/>						
Emergency Management Performance Grant 089-0000 2014-0070						
Personal services	\$ --	\$ 205,124	\$ 205,124	\$ 102,562	\$ --	\$ 102,562
Operating expenses	--	120,424	120,424	60,212	--	60,212
Totals	<u>\$ --</u>	<u>\$ 325,548</u>	<u>\$ 325,548</u>	<u>\$ 162,774</u>	<u>\$ --</u>	<u>\$ 162,774</u>

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**SUPPLEMENTARY SCHEDULES
OF THE DEPARTMENT
OF
COMMUNITY SERVICES
AND DEVELOPMENT
GRANT REVENUES AND EXPENDITURES**

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COUNTY OF SHASTA

Supplemental Statement of Revenue and Expenditures
 CSD Contract No. 14F-3044 (CSBG - \$278,386)
 For The Period January 1, 2014 through December 31, 2014

	January 1, 2014 through June 30, 2014	July 1, 2014 through December 31, 2014	Totals
Revenue			
Grant revenue	\$ 124,753	\$ 153,633	\$ 278,386
Total Revenue	<u>\$ 124,753</u>	<u>\$ 153,633</u>	<u>\$ 278,386</u>
Expenditures			
Administrative Costs:			
Salaries and wages	\$ 20,435	\$ 24,630	\$ 45,065
Fringe benefits	9,394	17,666	27,060
Operating Expenses & Equipment	27,346	21,012	48,358
Subtotal Administrative Costs	<u>57,175</u>	<u>63,308</u>	<u>120,483</u>
Program Costs:			
Salaries and wages	\$ 40,364	\$ 44,939	\$ 85,303
Fringe benefits	20,017	21,829	41,846
Operating Expenses & Equipment	7,197	12,757	19,954
Subcontractor Services	--	10,800	10,800
Subtotal Program Costs	<u>67,578</u>	<u>90,325</u>	<u>157,903</u>
Total Expenditures	<u>\$ 124,753</u>	<u>\$ 153,633</u>	<u>\$ 278,386</u>

COUNTY OF SHASTA

Supplemental Statement of Revenue and Expenditures
 CSD Contract No. 15F-2044 (CSBG - \$280,883)
 For The Period January 1, 2015 through December 31, 2015

	January 1, 2015 through <u>June 30, 2015</u>	July 1, 2015 through <u>December 31, 2015</u>	<u>Totals</u>
Revenue			
Grant revenue	\$ 134,006	\$ --	\$ 134,006
Total Revenue	<u>\$ 134,006</u>	<u>\$ --</u>	<u>\$ 134,006</u>
Expenditures			
Administrative Costs:			
Salaries and wages	\$ 23,244	\$ --	\$ 23,244
Fringe benefits	10,327	--	10,327
Operating Expenses & Equipment	<u>25,251</u>	<u>--</u>	<u>25,251</u>
Subtotal Administrative Costs	<u>58,822</u>	<u>--</u>	<u>58,822</u>
Program Costs:			
Salaries and wages	\$ 42,546	\$ --	\$ 42,546
Fringe benefits	20,164	--	20,164
Operating Expenses & Equipment	9,237	--	9,237
Subcontractor Services	<u>3,237</u>	<u>--</u>	<u>3,237</u>
Subtotal Program Costs	<u>75,184</u>	<u>--</u>	<u>75,184</u>
Total Expenditures	<u>\$ 134,006</u>	<u>\$ --</u>	<u>\$ 134,006</u>