

**COUNTY OF BUTTE
SINGLE AUDIT REPORT
YEAR ENDED JUNE 30, 2019**



CLAconnect.com

**WEALTH ADVISORY
OUTSOURCING
AUDIT, TAX, AND
CONSULTING**

**COUNTY OF BUTTE
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2019**

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	3
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE	5
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	8
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	13
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	15



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Supervisors
County of Butte
Oroville, 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 Butte (the County), as of and for the year ended June 30, 2019, 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 13, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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.

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 result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Roseville, California
December 13, 2019



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Board of Supervisors
County of Butte
Oroville, California

Report on Compliance for Each Major Federal Program

We have audited the County of Butte'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, 2019. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' 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, 2019.

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, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended June 30, 2019, and have issued our report thereon dated December 13, 2019, that 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 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
December 13, 2019

**COUNTY OF BUTTE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019**

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
<u>U.S. Department of Agriculture</u>				
Direct Via U.S. Forestry Service:				
Cooperative Law Enforcement - Lassen US Forest (Plumas)	10.664		\$ 5,989	\$ -
Cooperative Law Enforcement - Plumas US Forest (Lassen)	10.664		5,090	-
Cooperative Law Enforcement - Marijuana Eradication - Plumas, Tahoe & Lassen National Forests	10.664		24,000	-
Passed through California Department of Forestry & Fire Protection:				
Volunteer Fire Assistance Program (VFA)	10.664		<u>19,997</u>	<u>-</u>
Subtotal CFDA 10.664			<u>55,076</u>	<u>-</u>
Death	10.025	14-0408-SF	2,475	
Plant and Animal Disease, Pest Control and Animal Care -- Pierce's Disease/Glassy-Winged Sharpshooter (GWSS)	10.025	16-0336-SF	55,239	-
Plant and Animal Disease, Pest Control and Animal Care -- European Grapevine Moth	10.025	17-0549-004-SF	5,681	-
Plant and Animal Disease, Pest Control and Animal Care -- Exotic Pest Detection	10.025	17-0144	32,587	-
Plant and Animal Disease, Pest Control and Animal Care -- Asian Citrus Psyllid (ACP) & Exotic Pest Detection	10.025	17-0144	<u>10,383</u>	<u>-</u>
Subtotal CFDA 10.025			<u>106,365</u>	<u>-</u>
Passed through State Department of Education:				
National School Lunch Program	10.555		33,392	-
Passed through State Department of Social Services:				
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561		5,052,546	-
CFET Admin	10.561		121,851	-
ISAWS/C-IV Conversion	10.561		47,777	-
Passed through CA Department of Public Health:				
Supplemental Nutrition Assistance Program (PH - SNAP Ed)	10.561		<u>332,019</u>	<u>75,901</u>
Subtotal SNAP Cluster - CFDA 10.561			<u>5,554,193</u>	<u>75,901</u>
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557		<u>1,470,160</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>\$ 7,219,186</u>	<u>\$ 75,901</u>
<u>U.S. Department of Housing and Urban Development</u>				
Direct Program:				
HUD Housing Grants	14.267		111,087	-
Development Block Grant/State's Program:				
Community Development Block Grant/State's Program	14.228	14-CDBG-9888	123,995	-
Community Development Block Grant/State's Program	14.228	17-CDBG-12012	10,714	94,500
Community Development Block Grant/State's Program	14.228	Outstanding Loans	<u>4,024,986</u>	<u>-</u>
Community Development Block Grant Cluster - CFDA 14.228			<u>4,159,695</u>	<u>94,500</u>
Home Investment Partnerships Program - Housing Rehab (HIPP)	14.239	13-HOME-8994	102,272	(1,597)
Home Investment Partnerships Program	14.239	Outstanding Loans	<u>420,091</u>	<u>-</u>
Subtotal CFDA 14.239			<u>522,363</u>	<u>(1,597)</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 4,793,145</u>	<u>\$ 92,903</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF BUTTE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019**

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
<u>U.S. Department of Justice</u>				
Passed through California Office of Emergency Services:				
State Criminal Alien Assistance Program (SCAAP)	16.606	2019-AP-BX-0346	\$ 25,054	\$ -
Probation Specialized Supervision Program (VAWA)	16.588	PU17 05 0040	13,273	13,273
Passed through California Emergency Management Agency:				
Victim Witness Assistance Program	16.575	VW17070040	74,317	-
Victim Witness Assistance Program	16.575	VW18080040	184,967	-
Crime Victim Assistance - Victim Witness Protection (VOCA)	16.575	KC17010040	14,728	-
Crime Victim Assistance - Victim Witness Protection (VOCA)	16.575	KC18020040	400	-
Subtotal CFDA 16.575			<u>274,412</u>	<u>-</u>
Passed through State of California Board of State & Community Corrections:				
Edward Byrne Memorial Justice Assistance (JAG - Youthbuild)	16.738		10,467	-
Passed through Department of Justice Criminal Division				
Department of Justice DEA grant	16.922	2019-7	28,063	-
Department of Justice DEA grant	16.922	2018-06	65,777	-
Passed through U.S. Marshal's Office:				
Federal Equitable Sharing	16.922		118,540	-
Subtotal CFDA 16.922			<u>212,380</u>	<u>-</u>
Total U.S. Department of Justice			<u>\$ 535,586</u>	<u>\$ 13,273</u>
<u>U.S. Department of Treasury</u>				
Direct Programs:				
Federal Equitable Sharing	21.016		13,760	-
Total U.S. Department of Treasury			<u>\$ 13,760</u>	<u>\$ -</u>
<u>U.S. Department of Transportation</u>				
Passed through CA State Department of Transportation:				
Highway Bridge Program (HBP)	20.205		680,726	-
Congestion Mitigation Air Quality (CMAQ)	20.205		19,036	-
Emergency Relief Program	20.205		52,414	-
Highway Safety Improvement Program (HSIP/HRRR)	20.205		1,704,829	-
Subtotal Highway Planning and Construction Cluster			<u>2,457,005</u>	<u>-</u>
Passed through CA Office of Traffic Safety:				
OTS Grant Bike Safety	20.600		28,895	-
National Priority Safety Programs	20.616		79,386	-
Subtotal Highway Safety Cluster			<u>108,281</u>	<u>-</u>
High Intensity DUI Enforcement	20.608	AL19001	78,792	-
High Intensity DUI Enforcement	20.608	AL18001	95,797	-
Subtotal CFDA 20.608			<u>174,589</u>	<u>-</u>
Total U.S. Department of Transportation			<u>\$ 2,739,875</u>	<u>\$ -</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF BUTTE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019**

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
<u>Institute of Museum and Library Services</u>				
Passed through State Library Administrative Agencies:				
Libraries Helping Immigrants	45.310	CSL-6120	\$ 61,725	\$ -
Total Institute of Museum and Library Services			\$ 61,725	\$ -
<u>U.S. Department of Health and Human Services</u>				
Direct Programs:				
Strategic Prevention Framework Partnership for Success	93.243		253,312	-
<u>U.S. Department of Health and Human Services</u> (continued)				
Substance Abuse and Mental Health Services Drug Free Communities Support Program Grants (SAMHSA -STOP ACT)	93.276		167,365	-
Passed through Essential Access Health:				
Family Planning Services (TITLE X)	93.217		131,679	-
Passed through California Department of Social Services:				
Temporary Assistance for Needy Families - CalWorks	93.558		1,753,074	-
Temporary Assistance for Needy Families - CEC Programs Admin CalWorks	93.558		11,533,025	-
Child Welfare Services TANF Admin	93.558		477,949	-
ISAWS/C-IV Conversion	93.558		18,207	-
Foster Care – Title IV-E - Foster Care EA (5K)	93.558		1,091,571	-
Fraud Recovery Incentive	93.558		26,153	-
Subtotal TANF Cluster			<u>14,899,979</u>	<u>-</u>
Foster Care – Title IV-B - Child Welfare Services	93.645		206,889	-
PSSF Admin (Includes PSSF Monthly Caseworker visits)	93.556		185,156	-
ISAWS/C-IV Conversion	93.566		26	-
Kin-GAP Title IV-E Admin	93.090		21,143	-
Kin-GAP Fed Assistance	93.090		325,368	-
Subtotal CFDA 93.090			<u>346,511</u>	<u>-</u>
OCAP / Community Based Child Abuse Prevention	93.590		15,266	-
Independent Living	93.674		148,237	-
SACWIS (New System Project Intake Module Participation)	93.658		34,283	-
Foster Care & Title IV-E - Administration & Waiver	93.658		380,445	-
Foster Care – Title IV-E - Foster Care Licensing	93.658		1,176	-
CSEC	93.658		5,168	-
CWS Title IV-E	93.658		3,995,179	-
Foster Care – Title IV-E - Foster Care SB 163	93.658		67,421	-
Foster Care – Title IV-E - Foster Care Assistance (42)	93.658		3,872,973	-
CCR CWD	93.658		410,733	-
Emergency Child Care Bridge (ECCB)	93.658		5,121	-
Foster Care Title IV - E	93.658		315,547	315,547
Foster Care Title IV - E	93.658		138,172	138,172
Passed through CA Dept of Public Health:				
Resource Family	93.658		260,600	-
Subtotal CFDA 93.658			<u>9,486,818</u>	<u>453,719</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF BUTTE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
Passed through California Department of Social Services:				
Adoption Assistance Program - Adoptions	93.659		\$ 65,864	\$ -
Adoption Assistance Program - Admin	93.659		841,126	-
Adoption Assistance Program - Adoptions - Co.	93.659		<u>7,322,331</u>	<u>-</u>
Subtotal CFDA 93.659			<u>8,229,321</u>	<u>-</u>
Social Services Block Grants:				
In Home Supportive Services (IHSS) - PSCP - Individual Provider	93.667		884,036	-
Child Welfare Services Title XX Admin	93.667		687,540	-
Foster Care Assistance Title XX	93.667		<u>366,788</u>	<u>-</u>
Subtotal CFDA 93.667			<u>1,938,364</u>	<u>-</u>
Passed through the State Department of Child Support Services:				
Child Support Enforcement	93.563		5,354,346	-
Passed through CA Dept of Public Health:				
TB Real Time Allocation (CDC)	93.116		4,472	-
Opioid Misuse Grant	93.136		68,938	-
Immunization Grants (IAP)	93.268		49,088	-
MCAH-CA Home Visiting Program	93.870		491,642	431,860
HIV Care (HRSA)	93.917		135,636	-
HIV / Aids Surveillance (CDC)	93.944		22,826	-
Maternal and Child Health Services (MCAH)- Title V	93.994		105,394	-
CDC - National Bioterrorism Hospital Preparedness, Public Health				
Emergency Preparedness (CDC BASE) (HPP PGM) (PHEP EBOLA)	93.069		177,006	-
National Bioterrorism Hospital Preparedness Program (HPP Program)	93.889		103,398	-
Passed through Regents of the University of California				
CCS MTU Telemedicine	93.226		2,675	
Passed through CA Dept of Health Care Services:				
Medical Assistance Program (MH-MEDI-CAL UR/ADMIN)	93.778	17-94575	1,472,326	-
Medical Assistance Program (OPIOD CRISIS)	93.778	17-94461	110,730	-
Medical Assistance Program (Social Services Admin)	93.778		6,003,266	-
Medical Assistance Program (CHDP) - TITLE XIX	93.778		193,416	-
Medical Assistance Program (MCAH) - TITLE XIX	93.778		421,125	-
Medical Assistance Program Childhood Lead Poisoning Prevention	93.778		7,768	-
Medical Assistance Program (Foster Care)	93.778		126,028	-
Medical Assistance Program (FC Caseload Relief)	93.778		47,236	-
Medical Assistance Program (HCPCFC RX Oversight)	93.778		30,843	-
Medical Assistance Program Cost Avoidance Program	93.778		63,376	-
Medical Assistance Program (SUD Admin)	93.778	17-94064	133,322	-
Medical Assistance Program (CWS Title IV-E)	93.778		567,070	-
Medical Assistance Program (APS/CSBG)	93.778		878,820	-
Medical Assistance Program (IHSS)	93.778		<u>2,307,907</u>	<u>-</u>
Total Medi-Cal Cluster - CFDA 93.778			<u>12,363,233</u>	<u>-</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF BUTTE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
Projects for Assistance in Transition from Homelessness (PATH)	93.150		\$ 86,171	\$ -
CCS Admin - Title XXI	93.767		96,786	-
Block Grants for Community Mental Health Services (SAMHSA)	93.958		616,516	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	17-94121	921,289	-
Block Grants for Prevention and Treatment of Substance Abuse - Friday Night Live (FNL)	93.959	17-94121	6,000	
Block Grants for Prevention and Treatment of Substance Abuse - Perinatal S/A	93.959	17-94121	377,255	
Block Grants for Prevention and Treatment of Substance Abuse - Prev	93.959	17-94121	<u>321,449</u>	<u>-</u>
Subtotal CFDA 93.959			<u>1,625,993</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>\$ 57,313,043</u>	<u>\$ 885,579</u>
 <u>Social Security Administration</u>				
Direct Program:				
Social Security Reporting Program	96.002		<u>45,949</u>	<u>-</u>
Total Social Security Administration			<u>\$ 45,949</u>	<u>\$ -</u>
 <u>U.S. Department of Homeland Security</u>				
Passed through CA Office of Emergency Services:				
Federal Emergency Management Agency-Crisis Counseling Program	97.032	17-94643	240,201	-
Federal Emergency Management Agency-Crisis Counseling Program	97.032	18-95419	364,225	558,553
Emergency Management Agency -Disaster Grant	97.036	Jan 17, July 17, Oct 17	5,570,363	-
Hazard Mitigation Grant Program FEMA	97.039	FEMA 4240	556	-
Hazard Mitigation Grant Program FEMA	97.039	FEMA 4305	49,552	-
Emergency Management Performance Grants (EMPG) (2016)	97.042		170,933	-
State Homeland Security Grant Program (HSGP) (2016)	97.067		158,760	-
State Homeland Security Grant Program (HSGP) (2017)	97.067		57,083	-
State Homeland Security Grant Program (HSGP) (2018)	97.067		<u>19,442</u>	<u>-</u>
Subtotal CFDA 97.067			<u>235,285</u>	<u>-</u>
Passed through California Department of Forestry & Fire Protection				
Staffed for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2017-FF-00363	311,000	-
Total U.S. Department of Homeland Security			<u>\$ 6,942,115</u>	<u>\$ 558,553</u>
Total Expenditures of Federal Awards			<u>\$ 79,664,384</u>	<u>\$ 1,626,209</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF BUTTE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019**

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards presents the activity of all federal awards programs of the County of Butte for the year ended June 30, 2019. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 CATALOG OF FEDERAL DOMESTIC (CFDA) NUMBERS

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2019 *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, 2019 as follows:

Federal CFDA Number	Program Title	SEFA June 30, 2019	FY 18/19 Paydowns	County Balance June 30, 2019
14.228	Community Development Block Grants	\$ 4,024,986	\$ 1,744,509	\$ 2,280,477
14.239	HOME Investment Partnerships Program	\$ 420,091	\$ 53,837	\$ 366,254

COUNTY OF BUTTE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2019

NOTE 6 OUTSTANDING LOANS OF FEDERAL FUNDS

The following schedule presents the amount of outstanding loans of federal funds. The loans were provided by the USDA Rural Housing Service:

Federal CFDA Number	Program Title	Amount Outstanding	
		July 1, 2018	June 30, 2019
10.766	Community Facilities Loans and Grants	\$ 8,354,287	\$ 8,234,287

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 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.

**COUNTY OF BUTTE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

Section I – Summary of Auditors’ Results

Financial Statements

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

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes x no

Identification of Major Federal Programs

CFDA Number(s)	Name of Federal Program or Cluster
93.558	Temporary Assistance For Needy Families
93.778	Medical Assistance Program
97.036	Disaster Grants

Dollar threshold used to distinguish between Type A and Type B programs: \$ 2,408,009

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

**COUNTY OF BUTTE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Section II – Financial Statement Findings

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

Section III – Findings and Questioned Costs – Major Federal Programs

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