

COUNTY OF BUTTE
SINGLE AUDIT REPORT
JUNE 30, 2016

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COUNTY OF BUTTE

Single Audit Report
For the Year Ended June 30, 2016

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

To the Board of Supervisors and Grand Jury
County of 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 (County), California, as of and for the year ended June 30, 2016, 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 21, 2016.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control 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 Butte

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". The signature is written in black ink and is positioned above the typed name and date.

Roseville, California
December 21, 2016

**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**

To the Board of Supervisors and Grand Jury
County of Butte
Oroville, California

Report on Compliance for Each Major Federal Program

We have audited the County of Butte’s (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, 2016. 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 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, 2016.

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 weakness 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.

Board of Supervisors and Grand Jury
County of Butte

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

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended June 30, 2016, and have issued our report thereon dated December 21, 2016 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (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.



Roseville, California
December 21, 2016

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COUNTY OF BUTTE

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2016

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ 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	16-LE-11051360-207	\$ 6,000	-
Cooperative Law Enforcement - Plumas US Forest (Lassen)	10.664	16-LE-11051360-205	6,000	-
Cooperative Law Enforcement - Marijuana Eradication - Plumas, Tahoe & Lassen National Forests	10.664	11-LE-11051360-207	24,000	-
Passed through California Department of Forestry & Fire Protection:				
Volunteer Fire Assistance Program (VFA)	10.664	7FG15015	19,885	-
Passed through CA Department of Food & Agriculture:				
USFS State & Private Forestry - Broom Eradication	10.664	14-0112-FR	9,836	-
Subtotal CFDA 10.664			<u>65,721</u>	<u>-</u>
Plant and Animal Disease, Pest Control and Animal Care -- Pierce's Disease/Glassy-Winged Sharpshooter (GWSS)	10.025	14-0357-SF	65,713	-
Plant and Animal Disease, Pest Control and Animal Care -- Asian Citrus Psyllid (ACP) & Exotic Pest Detection	10.025	10-8520-1211-CA	33,964	-
Subtotal CFDA 10.025		10-8520-0934-CA	<u>99,677</u>	<u>-</u>
Passed through State Department of Education:				
National School Lunch Program	10.555	--	49,759	-
Passed through State Department of Social Services:				
State Administrative Matching Grants for Supplemental Nutrition Assistance Program (SNAP ED)	10.561	--	6,318,436	-
ISAWS/C-IV Conversion	10.561	--	58,068	-
Passed through CA Department of Public Health:				
Supplemental Nutrition Assistance Program (PH - SNAP Ed)	10.561	13-20489	615,070	334,893
Subtotal SNAP Cluster - CFDA 10.561			<u>6,991,574</u>	<u>334,893</u>
Passed through CA Department of Public Health:				
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	14-10223 & 15-10056	1,194,798	12,483
Total U.S. Department of Agriculture			<u>\$ 8,401,529</u>	<u>\$ 347,376</u>
<u>U.S. Department of Housing and Urban Development</u>				
Direct Program:				
HUD Housing grants	14.267	--	113,191	-
Passed through the State Department of Housing and Community				
Community Facilities Loans and Grants	10.766	--	3,203,805	-
Development Block Grant/State's Program:				
Community Development Block Grant/State's Program	14.228	10-DRI-6785	210	-
Community Development Block Grant/State's Program	14.228	12-CDBG-8374	5,127	570
Community Development Block Grant/State's Program	14.228	14-CDBG-9888	66,499	50,325
Community Development Block Grant/State's Program	14.228	Outstanding Loans	5,895,691	-
Community Development Block Grant Cluster - CFDA 14.228			<u>5,967,527</u>	<u>50,895</u>
Home Investment Partnerships Program - Housing Rehab (HIPP)	14.239	13-HOME-8994	114,394	39,978
Home Investment Partnerships Program	14.239	Outstanding Loans	64,735	-
Subtotal CFDA 14.239			<u>179,129</u>	<u>39,978</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 9,463,652</u>	<u>\$ 90,873</u>

See Notes to the Schedule of Expenditures of Federal Awards

COUNTY OF BUTTE

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2016

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures	Passed Through to Subrecipients
<u>U.S. Department of Justice</u>				
Direct Programs:				
State Criminal Alien Assistance Program (SCAAP)	16.606	2014-AP-BX-0809	\$ 21,728	-
Public Safety Partnership and Community Policing Grants - Methamphetamine Initiative Grant	16.710	--	19,866	-
Passed through California Office of Emergency Services:				
Probation Specialized Supervision Program (VAWA)	16.588	PU14 02 0040 PU15 03 0040	106,776	-
Passed through Department of Drug Enforcement Agency:				
Organized Crime Drug Enforcement Task Forces (OCDETF)	16.111	PA-CAE-0392	1,716	-
Department of Justice DEA grant	16.111	PA-CAE-0414 2015-17 & 2016-09	130,633	-
Subtotal CFDA 16.111			<u>132,349</u>	<u>-</u>
Passed through California Emergency Management Agency:				
Crime Victim Assistance - Victim Witness Protection (VOCA)	16.575	VW15050040	128,648	-
Passed through State of California Board of State & Community Corrections:				
Edward Byrne Memorial Justice Assistance (JAG - Youthbuild)	16.738	BSCC 651-14 BSCC 651-15	40,000	40,000
Passed through U.S. Marshal's Office:				
Federal Equitable Sharing	16.922	CA004013A/CA0040000	303,701	-
Federal Seizure Funds	16.922	CA004013A	13,400	-
Subtotal CFDA 16.922			<u>317,101</u>	<u>-</u>
Total U.S. Department of Justice			<u>\$ 766,468</u>	<u>\$ 40,000</u>
<u>U.S. Department of Transportation</u>				
Passed through CA State Department of Transportation:				
Highway Bridge Program (HBP)	20.205	BRLS-5912/BRLO-5912/BPMP-5912	877,977	-
Congestion Mitigation Air Quality (CMAQ)	20.205	CML-5912(089)	500	-
Transportation Enhancement (TE)	20.205	TEA22-14-0001	17,150	-
Highway Safety Improvement Program (HR3)	20.205	HRRRL-5912(099)	28,091	-
Subtotal CFDA 20.205			<u>923,718</u>	<u>-</u>
Passed through CA Office of Traffic Safety:				
High Intensity DUI Enforcement	20.608	AL1644	175,182	-
National Priority Safety Programs	20.616	OP1501 & OP1605	94,637	-
Total U.S. Department of Transportation			<u>\$ 1,193,537</u>	<u>\$ -</u>
<u>U.S. Department of Museum & Library Services</u>				
Passed through California State Library:				
Library Services and Technology Act	45.310	--	16,700	-
Total Dept of Museum & Library Services			<u>\$ 16,700</u>	<u>\$ -</u>
<u>U.S. Election Assistance Commission</u>				
Passed through California Secretary of State:				
Help America Vote Act	90.401	13G30311	\$ 36,406	-
Total U.S. Election Assistance Commission			<u>\$ 36,406</u>	<u>-</u>

See Notes to the Schedule of Expenditures of Federal Awards

COUNTY OF BUTTE

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2016

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services				
Direct Programs:				
Substance Abuse and Mental Health Services Administration (SAMHSA-STOP ACT)	93.243	--	500	-
Substance Abuse and Mental Health Services Drug Free Communities Support Program Grants (SAMHSA - DFC)	93.276	--	40,216	-
Passed through California Family Health Council:				
Family Planning Services (TITLE X)	93.217	2900-5320-71209-15 2900-5320-71219-16-17	100,597	-
Passed through National Assn of County and City Health Officials:				
National Assn of County and City Health Officials (NACCHO)	93.103	2016-011205	4,985	-
Passed through State Department of Social Services:				
Temporary Assistance for Needy Families - CalWorks	93.558	--	4,040,424	-
Temporary Assistance for Needy Families - CEC Programs Admin CalWorks	93.558	--	14,338,604	-
Child Welfare Services TANF Admin	93.558	--	565,952	-
ISAWS/C-IV Conversion	93.558	--	28,746	-
Subtotal CFDA 93.558			<u>18,973,726</u>	<u>-</u>
Passed through California Secretary of State:				
Helping America Vote Act (HAVA)	93.617	14G26103	19,275	-
Passed through California Department of Social Services:				
Foster Care – Title IV-B - Child Welfare Services	93.645	--	360,398	-
PSSF Admin (Includes PSSF Monthly Caseworker visits)	93.556	--	227,590	-
Kin-GAP Title IV-E Admin	93.090	--	13,790	-
OCAP / Community Based Child Abuse Prevention	93.569	--	15,476	-
Independent Living	93.674	--	185,934	-
ISAWS/C-IV Conversion	93.658	--	256	-
Foster Care & Title IV-E - Administration & Waiver	93.658	--	572,159	-
Foster Care – Title IV-E - Foster Care	93.658	--	304,951	-
Foster Care – Title IV-E - Child Welfare Services	93.658	--	3,482,338	-
Foster Care – Title IV-E - Foster Care Licensing	93.658	--	50,447	-
Foster Care - AB 2129	93.658	--	11,674	-
CSEC	93.658	--	5,978	-
CWS Case Review	93.658	--	67,735	-
SA/HIV Infant Admin	93.658	--	63,954	-
Foster Care - Monthly Visited Group Homes	93.658	--	13,982	-
Foster Care - Kinship/Emergency	93.658	--	3,533	-
Foster Care – Title IV-E - Foster Care SB 163	93.658	--	50,374	-
Foster Care – Title IV-E - Foster Care Assistance (42)	93.658	--	3,514,157	-
Foster Care – Title IV-E - Foster Care EA (5K)	93.658	--	361,905	-
Foster Parent Recruitment, Retention and Support Program (FPRRS)	93.658	--	105,482	-
Subtotal CFDA 93.658			<u>8,608,925</u>	<u>-</u>
Adoption Assistance Program - Adoptions	93.659	--	6,286,401	-
Adoption Assistance Program - Admin	93.659	--	62,554	-
Adoption Assistance Program - Adoptions - Co.	93.659	--	693,007	-
Subtotal CFDA 93.659			<u>7,041,962</u>	<u>-</u>

See Notes to the Schedule of Expenditures of Federal Awards

COUNTY OF BUTTE

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2016

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services (continued)				
Passed through California Department of Social Services (continued):				
Social Services Block Grants:				
In Home Supportive Services (IHSS) - PSCP - Individual Provider Licensing Title XX	93.667	--	961,606	-
Child Welfare Services Title XX Admin	93.667	--	(4,280)	-
CalWorks Single XX	93.667	--	687,540	-
Subtotal CFDA 93.667			<u>531,253</u>	<u>-</u>
			<u>2,176,119</u>	<u>-</u>
Passed through the State Department of Child Support Services:				
Child Support Enforcement	93.563	1604CACSES	4,603,078	-
Passed through CA Dept of Public Health:				
CDC - National Bioterrorism Hospital Preparedness, Public Health Emergency Preparedness (CDC BASE) (HPP PGM) (PHEP EBOLA)	93.074	14-10494 & 15-10348	471,956	-
TB Real Time Allocation (CDC)	93.116	--	10,152	-
Immunization Grants (IAP)	93.268	15-10414	63,155	-
MCAH-CA Home Visiting Program	93.505	15-10154	570,599	555,581
HIV Care (HRSA)	93.917	13-20047 & 15-11052	159,854	-
HIV / Aids Surveillance (CDC)	93.944	13-20121	36,428	-
Maternal and Child Health Services (MCAH)- Title V	93.994	201504	126,080	-
Medical Assistance Program (LEAD)-Title XIX	93.778	14-10041	19,218	-
MCAH Title XIX	93.778	201504	4,711	-
Passed through CA Dept of Health Care Services:				
Medical Assistance Program (MH-MEDI-CAL UR/ADMIN)	93.778	12-89356	1,303,883	-
Medical Assistance Program (Social Services Admin)	93.778	--	5,659,615	-
Medical Assistance Program (CHDP) - TITLE XIX	93.778	--	169,002	-
Medical Assistance Program (HCPCFC)-TITLE XIX	93.778	--	90,431	-
Medical Assistance Program (CCS)-TITLE XIX	93.778	--	387,266	-
Medical Assistance Program (SUD Admin)	93.778	14-90050	391,546	-
Total Medi-Cal Cluster - CFDA 93.778			<u>8,025,672</u>	<u>-</u>
Projects for Assistance in Transition from Homelessness (PATH)	93.150	--	85,377	-
CCS Admin - Title XXI	93.767	--	72,396	-
Block Grants for Community Mental Health Services (SAMHSA)	93.958	3B09SM010005-14S3	472,553	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	14-90050	817,936	-
Block Grants for Prevention and Treatment of Substance Abuse - Friday Night Live (FNL)	93.959	14-90050	6,000	-
Block Grants for Prevention and Treatment of Substance Abuse Previous Set-Aside	93.959	14-90050	321,449	-
Block Grants for Prevention and Treatment of Substance Abuse Perinatal Set-Aside	93.959	14-90050	230,313	-
Subtotal CFDA 93.959			<u>1,375,698</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>\$ 53,842,491</u>	<u>\$ 555,581</u>
Social Security Administration				
Direct Program:				
Social Security Reporting Program	96.002	2016-H0948-CA-AP	43,200	-
Total Social Security Administration			<u>\$ 43,200</u>	<u>\$ -</u>

See Notes to the Schedule of Expenditures of Federal Awards

COUNTY OF BUTTE

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2016

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures	Passed Through to Subrecipients
U.S. Department of Homeland Security				
Direct Program:				
Staffing for Adequate Fire & Emergency Response (SAFER)	97.083	--	159,494	-
Passed through CA Dept of Parks & Recreation (DBAW):				
Boating Safety Financial Assistance	97.012	C1560626	38,439	-
Passed through CA Office of Emergency Services:				
Emergency Management Performance Grants (EMPG) (2015)	97.042	2015-049	167,927	-
State Homeland Security Grant Program (HSGP) (2014)	97.067	2014-093	231,489	102,718
State Homeland Security Grant Program (HSGP) (2015)	97.067	2015-078	189,828	21,514
Subtotal CFDA 97.067			<u>421,317</u>	<u>124,232</u>
Total U.S. Department of Homeland Security			<u>\$ 787,177</u>	<u>\$ 124,232</u>
Total Expenditures of Federal Awards			<u>\$ 74,551,160</u>	<u>\$ 1,158,062</u>

See Notes to the Schedule of Expenditures of Federal Awards

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COUNTY OF BUTTE

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2016

NOTE 1: REPORTING ENTITY

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the County of Butte. The County of Butte'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 is prepared on a modified accrual basis. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*.

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.

NOTE 4: INDIRECT COST RATE

The County did not elect to use the 10% 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 RECEIVABLE WITH CONTINUING COMPLIANCE REQUIREMENT

Outstanding federally-funded program loans, with a continuing compliance requirement, carried balances as of June 30, 2016 as follows:

Federal CFDA #	Program Title	SEFA June 30, 2016	FY 15/16 Paydowns	County Balance June 30, 2016
14.228	Community Development Block Grant	\$ 5,895,691	\$ 1,489,905	\$ 4,405,786
14.239	HOME Housing Rehabilitation Loan Program	\$ 64,735	\$ -	\$ 64,735

COUNTY OF BUTTE

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2016

NOTE 6: **OUTSTANDING LOAN PAYABLE 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:

<u>CFDA #</u>	<u>Program Title</u>	<u>Outstanding</u>
10.766	Community Facilities Loans and Grants	\$ 8,583,287

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
For the Year Ended June 30, 2016

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 deficiency 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 deficiency 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 the Uniform Guidance? | No |

4. Identification of major programs:

CFDA Number

Name of Federal Program

93.558
93.778

Temporary Assistance for Needy Families
Medical Assistance Program

- | | |
|---|--------------|
| 5. Dollar Threshold used to distinguish between Type A and Type B programs? | \$ 2,236,535 |
| 6. Auditee qualified as a low-risk auditee under the Uniform Guidance, Section 520? | Yes |

Section 2

Financial Statement Findings

None Reported

Section 3

Federal Award Findings and Questioned Costs

None Reported

COUNTY OF BUTTE

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2016

None Reported

COUNTY OF BUTTE

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2016

Reference Number	2015-001
Federal Program Title	Medical Assistance Program
CFDA Number	93.778
Federal Agency	U.S. Department of Health and Human Services
Pass Through Entity	Department of Health Care Services
Compliance Requirement	Eligibility

Recommendation

We recommend that a review process be implemented to ensure that the required annual redeterminations for the Medi-Cal Assistance Program are conducted.

Status

Implemented