

**COUNTY OF SHASTA
SINGLE AUDIT REPORT
YEAR ENDED JUNE 30, 2023**



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**COUNTY OF SHASTA
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2023**

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>	1
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	3
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	7
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	11
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	13
SUPPLEMENTARY SCHEDULES OF THE DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT	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 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, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County of Shasta's basic financial statements, and have issued our report thereon dated January 30, 2024.

Our report includes a reference to other auditors who audited the financial statements of the Shasta Children and Families First Commission (Commission), which represents 100% of the assets, net position, and revenue of the County of Shasta's discretely presented component unit as of and for the year ended June 30, 2023, as described in our report on the County of Shasta'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.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered County of Shasta's internal control over financial reporting (internal control) as a basis for designing 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 County of Shasta's internal control. Accordingly, we do not express an opinion on the effectiveness of County of Shasta's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether County of Shasta’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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

County of Shasta’s Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the County of Shasta’s response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. County of Shasta’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.



CliftonLarsonAllen LLP

Roseville, California
January 30, 2024



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 Shasta
Redding, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the County of Shasta's (the County) compliance with the types of compliance requirements identified as subject to audit in the *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, 2023. 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.

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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of County of Shasta and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding County of Shasta's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the 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, 2023, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements. We issued our report thereon dated January 30, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Supplementary Schedules of the Department of Community Services and Development but does not include the basic financial statements and our auditors’ report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



CliftonLarsonAllen LLP

Roseville, California
March 22, 2024

**COUNTY OF SHASTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures Passed Through to Subrecipients
U.S. Department of Agriculture				
Passed through State Department of Food and Agriculture: Plant and Animal Disease, Pest Control, and Animal Care				
Glassy-Winged Sharpshooter-GWSS	10.025	AP22PPQFO000C001	\$ 52,164	\$ -
		AP23PPQFO000C001		
		AP20PPQFO000C540		
Asian Defoliating Moth	10.025	AP19PPQFO000C546	9,989	-
		AP21PPQFO000C393		
Phytophthora Ramorum (Sudden Oak Death)	10.025	AP20PPQFO000C550	341	-
		AP19PPQFO000C447		
Integrated Pest Control/Exotic Fruit Fly	10.025	AP21PPQFO000C061	32,678	-
Subtotal Assistance Listing Number 10.025			95,172	-
Passed through State Department of Education:				
School Breakfast Program	10.553		23,915	-
National School Lunch Program	10.555		52,292	-
Total Child Nutrition Cluster			76,207	-
Volunteer Fire Capacity Grant	10.698	7GF22107	19,915	-
Passed through State Department of Public Health:				
Special Supplemental Nutrition Program for Women, Infants, and Children - Administrative	10.557		1,833,360	-
Passed through State Department of Health Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program				
California Nutrition Network	10.561		260,306	-
Passed through State Department of Social Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program				
CalFresh Admin, Employment and Training	10.561		7,123,565	-
Total SNAP Cluster			7,383,871	-
Passed through the State of California:				
Schools and Roads - Grants to States	10.665		792,823	139,168
Total Forest Service Schools and Roads Cluster			792,823	139,168
Total U.S. Department of Agriculture			\$ 10,201,348	\$ 139,168
U.S. Department of Housing and Urban Development				
Direct Programs:				
Section 8 Housing Choice Vouchers	14.871	CA096	\$ 4,972,060	\$ -
Emergency Housing Voucher	14.871		132,876	-
Subtotal Assistance Listing Number 14.871			5,104,936	-
Mainstream	14.879		92,784	-
Total - Section 8 Housing Choice Voucher Cluster			5,197,720	-
Homeless Management Information Systems Technical Assistance	14.261	CA1823H9T161800	53,582	-
Family Self-Sufficiency Program	14.896	CA0096FSS20CA3231	43,775	-
Continuum of Care Program	14.267		178,249	-
Passed through the State Department of Housing and Community Development:				
Community Development Block Grant/State's Program	14.228	21-DRMHP-21001	83,118	-
CDBG - Outstanding Loans	14.228		2,552,057	-
Subtotal Assistance Listing Number 14.228			2,635,175	-
State Emergency Solutions Grant	14.231	21-ESG-16061	93,226	-
COVID-19 State Emergency Solutions Grant CARES	14.231	20-ESGCV1-00029	877,883	877,883
Subtotal Assistance Listing Number 14.231			971,109	877,883
HOME Investment Partnerships Program	14.239	18-HOME-12597	399,463	-
HOME Investment Partnerships Program - Outstanding Loans	14.239		2,897,740	-
Subtotal Assistance Listing Number 14.239			3,297,203	-
Total U.S. Department of Housing and Urban Development			\$ 12,376,813	\$ 877,883

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF SHASTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures Passed Through to Subrecipients
<u>U.S. Department of Interior</u>				
Direct Programs:				
FWS National Wildlife Refuge Fund	15.659		\$ 1	\$ -
Total U.S. Department of Interior			<u>\$ 1</u>	<u>\$ -</u>
<u>U.S. Department of Justice</u>				
Direct Programs:				
Bulletproof Vest Partnership	16.607		\$ 4,191	\$ -
Domestic Cannabis Eradication Suppression (DCESP) 22	16.579		55,165	-
Domestic Cannabis Eradication Suppression (DCESP) 23	16.579		71,928	-
Subtotal Assistance Listing Number 16.579			<u>127,093</u>	<u>-</u>
Local Law Enforcement Block Grant	16.738		77,318	-
Emergency Management Performance Grant	16.738		221,480	-
Passed through Board of State and Community Corrections:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738		250,031	-
Subtotal Assistance Listing Number 16.738			<u>548,829</u>	<u>-</u>
COVID-19 Coronavirus Emergency Supplemental Funding (CESF) Program	16.034		8,208	-
Passed through California Emergency Management Agency:				
Crime Victim Assistance				
County Victim Services Program XC	16.575	XC21 04 0450	171,541	-
Victim Witness Assistance Program VOCA	16.575	VW20 39 0450	659,033	-
Subtotal Assistance Listing Number 16.575			<u>830,574</u>	<u>-</u>
Total U.S. Department of Justice			<u>\$ 1,518,895</u>	<u>\$ -</u>
<u>U.S. Department of Transportation</u>				
Direct Programs:				
Airport Improvement Program	20.106		\$ 5,847	\$ -
Passed through State Department of Transportation:				
Highway Planning and Construction	20.205		1,601,664	-
Formula Grants for Other Than Urbanized Areas	20.509		1,165,058	-
Passed through State Office of Traffic Safety:				
Teens Drive Safe in Shasta Education Program	20.616		211,588	-
Total - Highway Safety Cluster			<u>211,588</u>	<u>-</u>
Total U.S. Department of Transportation			<u>\$ 2,984,157</u>	<u>\$ -</u>
<u>U.S. Department of Treasury</u>				
Direct Programs:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		\$ 1,852,758	\$ 182,512
CoronaVirus America Rescue Plan Act (ARPA)	21.019		30,000	-
Total U.S. Department of Treasury			<u>\$ 1,882,758</u>	<u>\$ 182,512</u>
<u>U.S. Environmental Protection Agency</u>				
Passed through Air Pollution Control Officers Association:				
Special Purpose Activities Relating to the Clean Air Act	66.034		\$ 7,100	\$ -
Total U.S. Environmental Protection Agency			<u>\$ 7,100</u>	<u>\$ -</u>
<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			<u>\$ 220,000</u>	<u>\$ -</u>
<u>U.S. Elections Administration Commission</u>				
Passed through California Secretary of State:				
Help America Vote Act of 2002	90.401	21G30117	\$ 59,398	\$ -
Total U.S. Department of Education			<u>\$ 59,398</u>	<u>\$ -</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF SHASTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures Passed Through to Subrecipients
U.S. Department of Health and Human Services				
Passed through State Department of Health Care Services:				
Block Grants for Prevention & Treatment of Substance Abuse	93.959		\$ 1,410,868	\$ -
COVID-19 Coronavirus Response and Relief Supplemental Appropriations Act	93.959		334,868	-
American Rescue Plan Act	93.959		152,922	-
Subtotal Assistance Listing Number 93.959			<u>1,898,658</u>	<u>-</u>
Projects for Assistance in Transition from Homelessness	93.150		14,190	-
Childhood Lead Poisoning Prevention Projects	93.197		1,354	-
Childhood Lead Poisoning Prevention Projects	93.197	51702	2,730	-
Childhood Lead Poisoning Prevention Projects	93.197	51703	66,177	-
Subtotal Assistance Listing Number 93.197			<u>70,261</u>	<u>-</u>
Immunization Grants	93.268		570,906	-
Tuberculosis Real-Time Allotment	93.116		13,633	-
Bioterrorism Preparedness	93.074	14-10544	494,533	-
ELC Enhancing Detection	93.323		1,314,854	-
Passed through Heluna Health:				
COVID-19 Epidemiology and Laboratory Capacity (ELC)	93.323		140,971	-
Subtotal Assistance Listing Number 93.323			<u>1,455,825</u>	<u>-</u>
Passed through State Department of Health Care Services:				
COVID-19 Crisis Response Funding	93.354	WFD-045	286,025	-
Block Grants for Community Mental Health Services	93.958		429,330	-
DIS Workforce	93.977		104,393	-
Medical Assistance Program:				
Psychotropic Medication Monitoring and Oversight (PMM&O)	93.778		25,705	-
Children's Medical Services	93.778		422,845	-
Child Health and Disability Program (CHDP)	93.778		571,501	-
Medi-Cal Administrative Activities (MAA)	93.778		2,713,590	-
Targeted Case Management (TCM)	93.778	95922	178,041	178,041
Medi-Cal Administrative Activities (MAA)	93.778	95918	609,759	-
Medical Assistance Program Administration	93.778		7,231,537	-
IHSS Public Authority	93.778		242,565	-
Total - Medical Assistance Program Cluster			<u>11,995,543</u>	<u>178,041</u>
Preventive Health And Health Services Block Grant:				
Maternal and Child Health Services Block Grant to the States	93.994	53107	110,426	-
Maternal and Child Health Services Block Grant to the States	93.994	53112	3,000	-
Maternal and Child Health Services Block Grant to the States	93.994	53117	212,545	-
Maternal and Child Health Services Block Grant to the States	93.994	53118	228,428	-
Maternal and Child Health Services Block Grant to the States	93.994	53128	673,230	-
Subtotal Assistance Listing Number 93.994			<u>1,227,629</u>	<u>-</u>
Kin-Gap IVE	93.090		12,876	-
Kinship Guardian Assistance Payments	93.090		479,193	-
Subtotal Assistance Listing Number 93.090			<u>492,069</u>	<u>-</u>
CalWORKS Assistance / ARC	93.558		4,974,166	164,096
CalWORKS, Child Welfare Services TANF	93.558		11,021,774	1,856,103
Subtotal Assistance Listing Number 93.558			<u>15,995,940</u>	<u>2,020,199</u>
Refugee Admin	93.566		(3,384)	-
Commercially Sexually Exploited Children	93.598		85,354	14,778
Foster Care - Title IV-E:				
CWS - Title IV-E, Foster Care, State Automated Child Welfare Information System, Non-CWS Programs, Licensing	93.658		4,042,124	61,412
Foster Care Placement	93.658		3,516,293	-
Foster Care - Title IV-E (Probation)	93.658		97,272	-
Subtotal Assistance Listing Number 93.658			<u>7,655,689</u>	<u>61,412</u>
Promoting Safe and Stable Families (PSSF)	93.556		156,878	67,883
Child Welfare Services State Grants	93.645		123,660	-
Adoption Assistance	93.659		13,253,446	72,926

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF SHASTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures Passed Through to Subrecipients
Social Services Block Grant				
Child Welfare Services (CWS) Title XX - Calw orks Single Title XX	93.667		545,497	-
Foster Care Assistance Title XX	93.667		353,515	-
Subtotal Assistance Listing Number 93.667			899,012	-
Chafee Foster Care Independence Program	93.674		86,168	-
Adoption Incentive	93.603		32,887	-
Adult Protective Services/County Services Block Grant	93.747		42,191	-
Passed through State Department of Child Support Services:				
Child Support Enforcement	93.563		4,268,251	-
Passed through State Department of Community Services and Development:				
COVID-19 Community Services Block Grant CARES	93.569	20F-3683	1,609	-
Community Services Block Grant	93.569	22F-5044	150,254	-
Community Services Block Grant Discretionary	93.569	22F-5044	30,067	-
Community Service Block Grant	93.569	23F-4445	112,973	-
Subtotal Assistance Listing Number 93.569			294,903	-
Passed Through CA Dept of Public Health				
California Equitable Recovery Initiative (CERI)	93.391	CERI-21-23-37	127,113	-
Total U.S. Department of Health and Human Services			\$ 62,071,103	\$ 2,415,239
<u>Executive Office of the President</u>				
Passed through Central Valley California HIDTA				
High Intensity Drug Trafficking Areas Program	95.001		\$ 5,632	\$ -
Total Executive Office of the President			\$ 5,632	\$ -
<u>U.S. Department of Homeland Security</u>				
Passed through California Emergency Management Agency:				
Disaster Grants - Public Assistance	97.036		\$ 1,312,866	\$ -
COVID-19 California Covid-19 Pandemic	97.036	FEMA-4482-DR-CA	715,389	-
California Wildfires - Faw n Fire	97.036	FEMA-5417-FM-CA	150,508	-
California Wildfires - McKinney	97.036	FEMA-5469-DR-CA	17,612	-
California Wildfires - Mill	97.036	FEMA-5469-DR-CA	9,202	-
Subtotal Assistance Listing Number 97.036			2,205,577	-
Homeland Security Grant	97.067	2020-0095	62,757	-
Homeland Security Grant 2020	97.067	Project 2 SCHMRT	13,000	-
Subtotal Assistance Listing Number 97.067			75,757	-
Passed through California Office of Homeland Security:				
State Homeland Security Program - SHSP (FY 2022)	97.073	2022-00XX	38,880	-
State Homeland Security Program - SHSP (FY 2021)	97.073	2021-00XX	8,098	-
State Homeland Security Program - SHSP (FY 2020)	97.073	2020-0095	11,718	-
State Homeland Security Program - SHSP (FY 2019)	97.073	2019-0035	4,211	-
Subtotal Assistance Listing Number 97.073			62,907	-
Total U.S. Department of Homeland Security			\$ 2,344,241	\$ -
Total Expenditures of Federal Awards			\$ 93,671,446	\$ 3,614,802

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF SHASTA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

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 (County) for the year ended June 30, 2023. 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 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).

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. Because the Schedule presents only a selected portion of the operations of County of Shasta, it is not intended to and does not present the financial position, changes in net position, or cash flows of County of Shasta.

NOTE 3 FEDERAL ASSISTANCE LISTING NUMBERS

The program titles and Assistance Listing numbers were obtained from the federal or pass-through grantor. When no Assistance Listing 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 10% de minimis indirect cost rate was used by the County for the *Coronavirus State & Local Fiscal Recovery Funds (21.027)*.

NOTE 5 PASS-THROUGH ENTITIES' IDENTIFYING NUMBER

When federal awards were received from a pass-through entity, the schedule of expenditures of federal awards shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the County determined that no identifying number is assigned for the program or the County was unable to obtain an identifying number from the pass-through entity.

**COUNTY OF SHASTA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023**

NOTE 6 LOANS WITH CONTINUING COMPLIANCE REQUIREMENT

Outstanding federally-funded program loans, with a continuing compliance requirement, carried balances as of June 30, 2023 as follows:

Federal Assistance Listing Number	Program Title	SEFA June 30, 2023	FY 22/23 Paydowns	County Balance June 30, 2023
14.228	Community Development Block Grants	\$ 2,552,057	\$ 151,055	\$ 2,401,002
14.239	HOME Investment Partnerships Program	\$ 2,897,740	\$ 119,315	\$ 2,778,425

NOTE 7 OTHER LOANS

Outstanding federally-funded program loans, carried balances as of June 30, 2023 as follows:

Federal Assistance Listing Number	Program Title	Amount Outstanding	
		July 1, 2022	June 30, 2023
10.760	Water and Waste Disposal Systems for Rural Communities	\$ 589,500	\$ 568,100
66.468	Capitalization Grants for Drinking Water State Revolving Funds	\$ 4,137,969	\$ 4,329,517
81.041	State Energy Program	\$ 123,824	\$ 75,395

**COUNTY OF SHASTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

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? x yes no
 - Significant deficiency(ies) identified? yes x none reported
3. Noncompliance material to financial statements noted? yes x no

Federal Awards

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

Identification of Major Federal Programs

Assistance Listing Number(s)	Name of Federal Program or Cluster
14.239	HOME Investment Partnerships Program
14.871	Section 8 Housing Choice Vouchers
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds
93.563	Child Support Enforcement
93.659	Adoptions Assistance Program

Dollar threshold used to distinguish between Type A and Type B programs: \$ 2,810,143

Auditee qualified as low-risk auditee? x yes no

**COUNTY OF SHASTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Section II – Financial Statement Findings

2023 – 001 Restatement of Beginning Net Position

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition: During the audit it was discovered that a note payable issued by County Service Area No. 17 during a prior year had incorrectly been reported as intergovernmental revenues, and not as long-term debt. As a result, a prior period adjustment was recorded, restating beginning net position in the County Service Area No. 17 fund and for Business Type Activities.

Criteria or specific requirement: Under generally accepted accounting principles (GAAP), long-term debt should be reported in the period in which the debt is issued.

Effect: Beginning net position was overstated by \$1,440,477, and long-term liabilities were understated by \$1,440,477.

Cause: The County had incorrectly classified the proceeds relating to the Note Payable as grant revenue.

Recommendation: The County should review grant revenues recorded, in order to determine that amounts represent intergovernmental revenue, and not proceeds from the issuance of debt.

Views of responsible officials and planned corrective actions: The County concurs with the recommendation.

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).

**COUNTY OF SHASTA
SUPPLEMENTARY SCHEDULE OF THE DEPARTMENT OF
COMMUNITY SERVICES AND DEVELOPMENT
STATEMENT OF REVENUES AND EXPENDITURES
(UNAUDITED)
YEAR ENDED JUNE 30, 2023**

**CSD Contract No. 20F-3683 (CSBG CARES)
For the Year Ended June 30, 2023**

	January 1, 2020 through June 30, 2021	July 1, 2021 through June 30, 2022	July 1, 2022 through June 30, 2023	Total Audited Costs	Total Reported Expenses	Total Budget
Revenue						
Grant revenue (CSD funds only)	\$ 104,681	\$ 312,433	\$ 1,609	\$ 418,723		\$ 418,724
Interest Income	480	237	-	717		-
Total Revenue	<u>\$ 105,161</u>	<u>\$ 312,670</u>	<u>\$ 1,609</u>	<u>\$ 419,440</u>		<u>\$ 418,724</u>
Expenditures						
Administrative:						
Salaries and Wages	\$ 3,788	\$ 50,747	\$ -	\$ 54,535	\$ 54,535	\$ 51,872
Fringe Benefits	3,403	29,470	-	32,873	32,873	31,421
Operating Expenses	-	6,433	1,609	8,042	8,042	8,042
Total Administrative Costs	<u>7,191</u>	<u>86,650</u>	<u>1,609</u>	<u>95,450</u>	<u>95,450</u>	<u>91,335</u>
Program Costs:						
Salaries and Wages	-	1,568	-	1,568	1,568	4,230
Fringe Benefits	-	794	-	794	794	2,246
Operating Expenses	-	1,004	-	1,004	1,004	1,005
Contract/Consultant Services	-	280,474	-	280,474	280,474	280,474
Other Costs	910	38,523	-	39,433	38,523	39,434
Total Program Costs	<u>910</u>	<u>322,363</u>	<u>-</u>	<u>323,273</u>	<u>322,363</u>	<u>327,389</u>
Total Expenses	<u>8,101</u>	<u>409,013</u>	<u>1,609</u>	<u>418,723</u>	<u>417,813</u>	<u>418,724</u>
Revenue over (under) costs	<u>\$ 97,060</u>	<u>\$ (96,343)</u>	<u>\$ -</u>	<u>\$ 717</u>	<u>\$ (417,813)</u>	<u>\$ -</u>

**COUNTY OF SHASTA
SUPPLEMENTARY SCHEDULE OF THE DEPARTMENT OF
COMMUNITY SERVICES AND DEVELOPMENT
STATEMENT OF REVENUES AND EXPENDITURES
(UNAUDITED)
YEAR ENDED JUNE 30, 2023**

**CSD Contract No. 20F-3683 (CSBG CARES Discretionary)
For the Year Ended June 30, 2023**

	January 1, 2022 through June 30, 2022	July 1, 2022 through June 30, 2023	Total Audited Costs	Total Reported Expenses	Total Budget
<u>Revenue</u>					
Grant revenue (CSD funds only)	\$ 133,332	\$ 150,254	\$ 283,586		\$ 307,734
Total Revenue	<u>\$ 133,332</u>	<u>\$ 150,254</u>	<u>\$ 283,586</u>		<u>\$ 307,734</u>
<u>Expenditures</u>					
Administrative:					
Salaries and Wages	\$ 3,688	\$ 7,115	\$ 10,803	\$ 10,803	\$ 10,766
Fringe Benefits	2,293	2,395	4,688	4,688	4,713
Operating Expenses	103,271	79,101	182,372	182,372	207,773
Total Administrative Costs	<u>109,252</u>	<u>88,611</u>	<u>197,863</u>	<u>197,863</u>	<u>223,252</u>
Program Costs:					
Salaries and Wages	\$ 5,341	\$ 25,713	\$ 31,054	\$ 31,054	\$ 34,129
Fringe Benefits	2,564	12,162	14,726	14,726	15,113
Operating Expenses	15,274	9,785	25,059	25,059	27,580
Contract/Consultant Services	901	13,983	14,884	14,884	14,883
Total Program Costs	<u>24,080</u>	<u>61,643</u>	<u>85,723</u>	<u>85,723</u>	<u>91,705</u>
Total Expenses	<u>133,332</u>	<u>150,254</u>	<u>283,586</u>	<u>283,586</u>	<u>314,957</u>
Revenue over (under) costs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (283,586)</u>	<u>\$ (7,223)</u>

**COUNTY OF SHASTA
SUPPLEMENTARY SCHEDULE OF THE DEPARTMENT OF
COMMUNITY SERVICES AND DEVELOPMENT
STATEMENT OF REVENUES AND EXPENDITURES
(UNAUDITED)
YEAR ENDED JUNE 30, 2023**

**CSD Contract No. 21F-5044 (CSBG)
For the Year Ended June 30, 2023**

	July 1, 2021 through June 30, 2022	July 1, 2022 through June 30, 2023	Total Audited Costs	Total Reported Expenses	Total Budget
<u>Revenue</u>					
Grant revenue (CSD funds only)	\$ -	\$ 30,067	\$ 30,067		\$ 31,000
Total Revenue	<u>\$ -</u>	<u>\$ 30,067</u>	<u>\$ 30,067</u>		<u>\$ 31,000</u>
<u>Expenditures</u>					
Program Costs:					
Salaries and Wages	\$ -	\$ 3,062	\$ 3,062	\$ 3,062	\$ 3,995.00
Fringe Benefits	-	386	386	386	425
Operating Expenses	-	2,377	2,377	2,377	2,338
Equipment	-	8,000	8,000	8,000	8,000
Contract/Consultant Services	-	16,242	16,242	16,242	16,242
Total Program Costs	<u>-</u>	<u>30,067</u>	<u>30,067</u>	<u>30,067</u>	<u>31,000</u>
Total Expenses	<u>-</u>	<u>30,067</u>	<u>30,067</u>	<u>30,067</u>	<u>31,000</u>
Revenue over (under) costs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (30,067)</u>	<u>\$ -</u>

**COUNTY OF SHASTA
SUPPLEMENTARY SCHEDULE OF THE DEPARTMENT OF
COMMUNITY SERVICES AND DEVELOPMENT
STATEMENT OF REVENUES AND EXPENDITURES
(UNAUDITED)
YEAR ENDED JUNE 30, 2023**

**CSD Contract No. 23F-4044 (CSBG)
For the Year Ended June 30, 2023**

	July 1, 2022 through June 30, 2023	Total Audited Costs	Total Reported Expenses	Total Budget
<u>Revenue</u>				
Grant revenue (CSD funds only)	\$ 112,973	\$ 112,973		\$ 295,200
Total Revenue	\$ 112,973	\$ 112,973		\$ 295,200
<u>Expenditures</u>				
Administrative:				
Salaries and Wages	\$ 2,751	\$ 2,751	\$ 2,751	\$ 6,305
Fringe Benefits	1,630	1,630	1,630	4,635
Total Administrative Costs	4,381	4,381	4,381	10,940
Program Costs:				
Salaries and Wages	\$ 19,120	\$ 19,120	\$ 19,120	\$ 20,676
Fringe Benefits	11,052	11,052	11,052	13,340
Operating Expenses	53,058	53,058	53,058	219,319
Contract/Consultant Services	25,362	25,362	25,362	33,733
Total Program Costs	108,592	108,592	108,592	287,068
Total Expenses	112,973	112,973	112,973	298,008
Revenue over (under) costs	\$ -	\$ -	\$ (112,973)	\$ (2,808)

**COUNTY OF SHASTA
SUPPLEMENTARY SCHEDULE OF THE DEPARTMENT OF
COMMUNITY SERVICES AND DEVELOPMENT
STATEMENT OF REVENUES AND EXPENDITURES
(UNAUDITED)
YEAR ENDED JUNE 30, 2023**

**CSD Contract No. 23F-4044 (CSBG Discretionary)
For the Year Ended June 30, 2023**

	July 1, 2022 through June 30, 2023	Total Audited Costs	Total Reported Expenses	Total Budget
<u>Revenue</u>				
Grant revenue (CSD funds only)	\$ -	\$ -		\$ -
Interest Income	-	-		-
Program Income	-	-		-
Total Revenue	<u>\$ -</u>	<u>\$ -</u>		<u>-</u>
<u>Expenditures</u>				
Administrative:				
Salaries and Wages	\$ -	\$ -	\$ -	\$ -
Fringe Benefits	-	-	-	-
Operating Expenses	-	-	-	-
Equipment	-	-	-	-
Out-of-State Travel	-	-	-	-
Contract/Consultant Services	-	-	-	-
Other Costs	-	-	-	-
Total Administrative Costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Program Costs:				
Salaries and Wages	\$ -	\$ -	\$ -	\$ -
Fringe Benefits	-	-	-	-
Operating Expenses	-	-	-	20,000
Equipment	-	-	-	-
Out-of-State Travel	-	-	-	6,000
Contract/Consultant Services	-	-	-	-
Other Costs	-	-	-	-
Total Program Costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,000</u>
Total Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,000</u>
Revenue over (under) costs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (26,000)</u>



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