

**SUTTER COUNTY**  
**SINGLE AUDIT REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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**SUTTER COUNTY**  
**SINGLE AUDIT REPORT**  
**For The Year Ended June 30, 2017**

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**SUTTER COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For The Year Ended June 30, 2017**

**SECTION I—SUMMARY OF AUDITOR’S RESULTS**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes      X   No
- Significant deficiency(ies) identified?   X   Yes    \_\_\_\_\_ None Reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ Yes      X   No

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified? \_\_\_\_\_ Yes      X   No
- Significant deficiency(ies) identified? \_\_\_\_\_ Yes      X   None Reported

Type of auditor’s report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

\_\_\_\_\_ Yes      X   No

Identification of major programs:

<u>CFDA#(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>16.575</u>	<u>Crime Victim Assistance</u>
<u>93.558</u>	<u>Temporary Assistance for Needy Families</u>
<u>93.958</u>	<u>Block Grants for Community Mental Health Services</u>

Dollar threshold used to distinguish between type A and type B programs: \$795,819

Auditee qualified as low-risk auditee?   X   Yes    \_\_\_\_\_ No

## **SECTION II – FINANCIAL STATEMENT FINDINGS**

Our audit disclosed a significant deficiency, but no material weaknesses or instances of noncompliance material to the basic financial statements. We have also issued a separate Memorandum on Internal Control dated March 29, 2018 which is an integral part of our audits and should be read in conjunction with this report.

## **SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

Our audit did not disclose any findings or questioned costs required to be reported in accordance with Uniform Guidance.

## COUNTY OF SUTTER

### Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2017

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal Agency / Pass-through Grantor Award Number	Federal Expenditures	Pass-through To Subrecipients
<u>U.S. Department of Agriculture</u>				
Passed through State Department of Food and Agriculture:				
Plant and Animal Disease, Pest Control, and Animal Care	10.025	17-8506-1211-CA	\$ 10,186	\$ -
Plant and Animal Disease, Pest Control, and Animal Care	10.025	16-8506-0689-CA	1,548	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	16-8506-0934-GR	6,320	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	16-8506-0934-GR	14,486	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	16-8506-0484-CA	12,748	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	17-8506-0484-CA	6,965	-
Plant and Animal Disease, Pest Control, and Animal Care	10.025	16-8506-1164-CA	(909)	-
Program Subtotal			51,344	-
Passed through State Department of Public Health:				
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	15-10121	939,002	-
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	16-10172	347,416	-
Passed through State Department of Social Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Not Available	1,388,767	-
Passed through State Department of Food and Agriculture:				
Cooperative Forestry Assistance	10.664	Not Available	75,079	-
Total U.S. Department of Food and Agriculture			\$ 2,801,608	\$ -
<u>U.S. Department of Housing and Urban Development</u>				
Passed through State Department of Housing and Community Development:				
Community Development Block Grants (Outstanding Loan Balance)	14.228	Not Available	1,277,170	1,277,170
Community Development Block Grants	14.228	Not Available	69,251	67,880
Program Subtotal			1,346,421	1,345,050
Passed through State Department of Housing and Community Development (Continued):				
Home Investment Partnerships Program				
2010 Home Program (Outstanding Loan Balance)	14.239	Not Available	114,612	114,612
Total U.S. Department of Housing and Urban Development			\$ 1,461,033	\$ 1,459,662
<u>U.S. Department of Interior</u>				
Passed through State Department of Fish and Wildlife:				
Cooperative Endangered Species Conservation Fund	15.615	P1482018	122,407	-
Total U.S. Department of Interior			\$ 122,407	\$ -

See accompanying Notes to Schedule of Expenditures of Federal Awards.

## COUNTY OF SUTTER

### Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2017

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal Agency / Pass-through Grantor Award Number	Federal Expenditures	Pass-through To Subrecipients
<u>U.S. Department of Justice</u>				
Direct Programs:				
State Criminal Alien Assistance Program	16.606		39,646	-
Bulletproof Vest Partnership	16.607		3,277	-
Subtotal Direct Programs			42,923	-
Passed through Governor's Office of Emergency Services:				
Victim Witness Assistance Program	16.575	VW15290510	134,630	-
County Victim Service Program	16.575	XC16010510	99,467	-
Passed through Programs Subtotal			234,097	-
Total U.S. Department of Justice			277,020	-
<u>U.S. Department of Transportation</u>				
Passed through State Department of Transportation:	20.205			
Highway Planning and Construction - Larkin Road Bridge & Sutter Buttes Bridge		B0105	82,704	-
Highway Planning and Construction - Pennington Road Bridge Replacement		B0650	54,314	-
Highway Planning and Construction - Nicolaus Avenue & Coon Creek Bridge		B0700	108,801	-
Highway Planning and Construction - Tisdale Road Bridge Replacement		B1525	73,911	-
Highway Planning and Construction - Howsley Road Bridge Replacement		B1629	109,022	-
Highway Planning and Construction - Kent Avenue Bridge Replacement		B1630	83,099	-
Highway Planning and Construction - Bridge Preventative Maintenance		BR31001413R	154,480	-
Highway Planning and Construction - Brittan Elementary School Pedestrian Route Improvement		GF31001413R	325,448	-
Highway Planning and Construction - Reflective Safety Improvement - HSIP		GF31001524R	23,928	-
Highway Planning and Construction - Pavement Marking HSIP		GF31001723R	3,954	-
Highway Planning and Construction - Federal Exchange		RSTP2016/17	185,383	-
Total U.S. Department of Transportation			1,205,044	-
<u>U.S. Department of Education</u>				
Passed through State Department of Education:	84.002			
Adult Education - Basic Grants to States		Not Available	27,089	-
Adult Education - Basic Grants to States		Not Available	27,089	-
Adult Education - Basic Grants to States		Not Available	25,684	-
Adult Education - Basic Grants to States		Not Available	77,045	-
Total U.S. Department of Education			156,907	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.



## COUNTY OF SUTTER

### Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2017

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal Agency / Pass-through Grantor Award Number	Federal Expenditures	Pass-through To Subrecipients
<u>U.S. Department of Health and Human Services</u>				
Passed through State Department of Public Health:				
Public Healthy Emergency Preparedness	93.069	14-10552 A01	141,745	-
Public Healthy Emergency Preparedness - Ebola	93.069	15-10394	14,404	-
Program Subtotal			156,149	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	Not Available	23,409	-
State and Local Childhood Lead Poisoning Prevention	93.197	14-10054	14,747	-
Immunization Grants	93.268	13-20316	40,223	-
Preventive Health Services Sexually Transmitted Disease Control Grants (Chlamydia)	93.977	11-10068 A01	1,947	-
Passed through State Department of Mental Health:				
Projects for Assistance in Transition from Homelessness (PATH)	93.150	Not Available	60,326	-
Mental Health Block Grant (MHBG)	93.958	Not Available	331,043	-
Substance Abuse Prevention & Treatment Block Grant (SAPT)	93.959	Not Available	1,334,276	-
Passed through State Department of Social Services:				
Guardianship Assistance	93.090	Not Available	102	-
Promoting Safe and Stable Families	93.556	Not Available	79,609	-
Promoting Safe and Stable Families - Caseworker Visit	93.556	Not Available	1,411	-
Program Subtotal			81,020	-
Temporary Assistance for Needy Families - Admin Costs	93.558	Not Available	3,962,390	-
Temporary Assistance for Needy Families - CWS Admin Costs	93.558	Not Available	173,314	-
Temporary Assistance for Needy Families - Assistance Claims	93.558	Not Available	2,293,914	-
Program Subtotal			6,429,618	-
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	Not Available	1,362	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	Not Available	57,177	-
Foster Care Title IV-E DSS Admin Costs	93.658	Not Available	1,268,646	-
Foster Care Title IV-E Admin Costs	93.658	Not Available	192,428	-
Foster Care Title IV-E	93.658	Not Available	4,684	-
Foster Care Title IV-E Child Welfare Outcome Improvement Project	93.658	Not Available	1,069	-
Foster Care Title IV-E Probation IV-E Group Home Monthly Visits Admin	93.658	Not Available	131,908	-
Foster Care Title IV-E Assistance Claims	93.658	Not Available	1,662,845	-
Program Subtotal			3,261,580	-
Adoption Assistance Program- Admin Costs	93.659	Not Available	31,233	-
Adoption Assistance Program- Assistance Claims	93.659	Not Available	1,661,721	-
Program Subtotal			1,692,954	-
Social Services Block Grant	93.667	Not Available	117,992	-
Chafee Foster Care Independence Program	93.674	Not Available	38,972	-
Passed through State Department of Child Support Services:				
Department of Child Support Services	93.563	Not Available	1,866,260	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

## COUNTY OF SUTTER

### Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2017

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal Agency / Pass-through Grantor Award Number	Federal Expenditures	Pass-through To Subrecipients
<u>U.S. Department of Health and Human Services (Continued):</u>				
Passed through State Department of Health Care Services (Continued):				
Medical Assistance Program/Children's Health Insurance Program (Medi-Cal/TLICP/CCS)	93.778	Not Applicable	278,043	-
Medical Assistance Program-CHDP	93.778	Not Applicable	104,182	-
Medical Assistance Program - Medi-Cal Outreach and Enrollment	93.778	Not Applicable	6,186	-
Medical Assistance Program-Foster Care (Health)	93.778	Not Applicable	36,101	-
Medical Assistance Program	93.778	Not Applicable	4,244,261	-
Program Subtotal			4,668,773	-
Maternal and Child Health Services Block Grant to the States (MCH)	93.994	2016-51	113,354	-
Total U.S. Department of Health and Human Services			20,291,284	-
<u>U.S. Department of Homeland Security</u>				
Pass through California Emergency Management Agency:				
2016 Emergency Management Performance Grant	97.042	Not Available	57,805	-
2015 Homeland Security Grant	97.067	Not Available	130,170	\$ 57,440
2016 Homeland Security Grant	97.067	Not Available	24,031	-
Program Subtotal			154,201	-
Total U.S. Department of Homeland Security			212,006	-
Total Expenditures of Federal Awards			\$ 26,527,309	\$ 1,459,662

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**SUTTER COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended June 30, 2017**

**NOTE 1-REPORTING ENTITY**

The Schedule of Expenditure of Federal Awards (the Schedule) includes expenditures of federal awards for the Sutter County, California and its component units as disclosed in the notes to the Basic Financial Statements.

**NOTE 2-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of accounting refers to *when* revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied. All governmental funds and agency funds are accounted for using the modified accrual basis of accounting. All proprietary funds are accounted for using the accrual basis of accounting. Expenditures of Federal Awards reported on the Schedule are recognized when incurred.

Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**NOTE 3 – INDIRECT COST ELECTION**

The County has elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE 4 – LOANS WITH CONTINUING COMPLIANCE REQUIREMENTS**

Outstanding federally-funded program loans, with a continuing compliance requirement, carried the following balances as of July, 1, 2016 and June 30, 2017:

CFDA #	Program Title	July 1, 2016	New Loans	Payments and Adjustments	June 30, 2017
14.228	Community Development Block Grant	\$ 1,277,170	\$ -	\$ (10,220)	\$ 1,266,950
14.239	Home Investment Partnership Program	114,612	-	-	114,612

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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 Honorable Grand Jury and Board of Supervisors  
County of Sutter, 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 Sutter as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 29, 2018. Our report included an emphasis of a matter paragraph disclosing the implementation of new accounting principles.

***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 County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses or significant deficiencies. We did identify a certain deficiency in internal control we consider to be a significant deficiency as listed on the Schedule of Significant Deficiency included as part of our separately issued Memorandum on Internal Control dated March 29, 2018, which is an integral part of our audits and should be read in conjunction with this report.

### ***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 an instance of noncompliance or other matter that are required to be reported under *Government Auditing Standards* and is listed as finding 2017-01 in our separately issued Memorandum on Internal Control dated March 29, 2018 which is an integral part of our audits and should be read in conjunction with this report.

### ***County's Response to Findings***

The County's response to the findings identified in our audit are described in in our separately issued Memorandum on Internal Control dated March 29, 2018, which is an integral part of our audits and should be read in conjunction with this report. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### ***Purpose of this Report***

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



Pleasant Hill, California  
March 29, 2018

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

To the Honorable Grand Jury and Board of Supervisors  
County of Sutter, California

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

We have audited the County of Sutter's (County) compliance with the types of compliance requirements described 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, 2017. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

## ***Report on Internal Control Over Compliance***

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 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, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 29, 2019, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion 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 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 expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Maze + Associates*

Pleasant Hill, California  
March 29, 2018

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