

**COUNTY OF GLENN,
CALIFORNIA**



**SINGLE AUDIT ACT
REPORTS AND SCHEDULES
FOR THE YEAR ENDED
JUNE 30, 2014**

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COUNTY OF GLENN
Single Audit Act
For the Year Ended June 30, 2014

Table of Contents

	Page
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.	1-2
Independent Auditor’s Report on Compliance For Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133.	3-5
Schedule of Expenditures of Federal Awards for the Year Ended June 30, 2014.	6-10
Notes to Schedule of Expenditures of Federal Awards.....	11-12
Schedule of Findings and Questioned Costs.	13-18
Schedule of Prior Year Findings and Questioned Costs.	19-20
Supplemental Schedules.	21-30

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

Board of Supervisors and the Grand Jury
County of Glenn
Willows, 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 Glenn, California, (County) as of and for the year ended June 30, 2014, 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 25, 2015.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses. (2014-001 and 2014-002)

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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies. (2014-003 and 2014-004)

Board of Supervisors and the Grand Jury
County of Glenn
Willows, California

Compliance and Other Matters

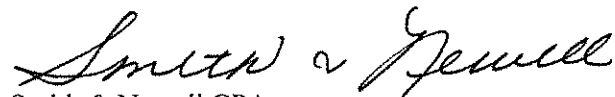
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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.

County's Response to Findings

The County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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.



Smith & Newell CPAs
Yuba City, California
March 25, 2015

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
OMB CIRCULAR A-133**

Board of Supervisors and the Grand Jury
County of Glenn
Willows, California

Report on Compliance for Each Major Federal Program

We have audited the County of Glenn, California's (County) compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2014. The County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the County, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

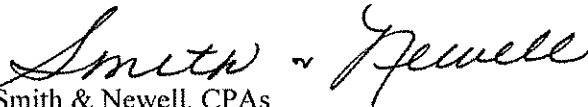
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Board of Supervisors and the Grand Jury
County of Glenn
Willows, California

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

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 of Glenn, California, (County) as of and for the year ended June 30, 2014 and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 25, 2015, 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 OMB Circular A-133 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.

The Supplemental Schedules have not been subjected to auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on them.


Smith & Newell, CPAs
Yuba City, California
March 25, 2015

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COUNTY OF GLENN
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

<u>Federal Program/Pass Through Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor Number</u>	<u>Federal Expenditures</u>
U.S. Department of Agriculture			
Direct Program:			
Plant and Animal Disease, Pest Control, and Animal Care	10.025	-	\$ 4,869
Plant and Animal Disease, Pest Control, and Animal Care	10.025	-	3,122
Plant and Animal Disease, Pest Control, and Animal Care	10.025	-	36
Plant and Animal Disease, Pest Control, and Animal Care	10.025	-	192
Plant and Animal Disease, Pest Control, and Animal Care	10.025	-	615
Plant and Animal Disease, Pest Control, and Animal Care	10.025	-	1,917
Plant and Animal Disease, Pest Control, and Animal Care	10.025	-	39
Subtotal 10.025			<u>10,790</u>
Technical Assistance for Specialty Crops Program	10.604	-	569
Passed through State Department of Education:			
School Breakfast Program	10.553	01281-SN-11-R	10,526
National School Lunch Program	10.555	01281-SN-11-R	16,564
Passed through State Department of Social Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	CEC-11-2014	703,654
Passed through State Department of Health Services:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	11-10464	612,849
Passed through National Forestry Service:			
Cooperative Forestry Assistance	10.664	14-PA-11050800-017	6,019
Passed through State Controller's Office:			
Schools and Roads - Grants to States	10.665	1100235A	<u>163,101</u>
Total U.S. Department of Agriculture			<u>1,524,072</u>
Department of Housing and Urban Development			
Passed through State Department of Housing and Community Development:			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	11-PTEC-7625	35,000
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	12-CDBG-8390	872,329
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	Program Income	16,000
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	Outstanding Loans	<u>2,146,216</u>
Subtotal 14.228			<u>3,069,545</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

COUNTY OF GLENN
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

<u>Federal Program/Pass Through Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor Number</u>	<u>Federal Expenditures</u>
Department of Housing and Urban Development (Continued)			
Passed through State Department of Housing and Community Development (Continued):			
Emergency Solutions Grant Program	14.231	12-ESG-8472	\$ 99,315
Emergency Solutions Grant Program	14.231	13-ESG-8813	<u>45,290</u>
Subtotal 14.231			<u>144,605</u>
Home Investment Partnerships Program	14.239	11-HOME-7658	322,937
Home Investment Partnerships Program	14.239	Outstanding Loans	<u>599,633</u>
Subtotal 14.239			<u>922,570</u>
Total Department of Housing and Urban Development			<u>4,136,720</u>
U.S. Department of the Interior			
Direct Program:			
Payments in Lieu of Taxes	15.226	-	<u>407,405</u>
Total U.S. Department of the Interior			<u>407,405</u>
U.S. Department of Justice			
Direct Program:			
State Criminal Alien Assistance Program	16.606	-	30,258
Passed through Board of State and Community Corrections:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	BSCC 624-13	85,957
Passed through State Emergency Management Agency:			
Crime Victim Assistance	16.575	VW 1318 0110	51,521
Crime Victim Assistance	16.575	AT 1209 0110	37,293
Crime Victim Assistance	16.575	AT 1310 0110	<u>97,148</u>
Subtotal 16.575			<u>185,962</u>
Total U.S. Department of Justice			<u>302,177</u>
U.S. Department of Labor			
Direct Program:			
WIA Adult Program	17.258	-	28,110
WIA Youth Activities	17.259	-	118,634
WIA Dislocated Workers	17.260	-	132,248
WIA Dislocated Workers	17.260	-	4,573
WIA Dislocated Workers	17.260	-	<u>15,502</u>
Subtotal 17.260			<u>152,323</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

COUNTY OF GLENN
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

<u>Federal Program/Pass Through Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor Number</u>	<u>Federal Expenditures</u>
U.S. Department of Labor (Continued)			
Direct Program (Continued):			
Incentive Grants - WIA Section 503	17.267	-	\$ 37,205
Workforce Investment Act (WIA) National Emergency Grants	17.277	-	<u>72,363</u>
Total U.S. Department of Labor			<u>408,635</u>
U.S. Department of Transportation			
Passed through State Department of Transportation:			
Highway Planning and Construction	20.205	BR-NBIL (510)	344,709
Highway Planning and Construction	20.205	BR-NBIL (519)	315,298
Highway Planning and Construction	20.205	BRLO-5910 (047)	169,090
Highway Planning and Construction	20.205	BRLO-5910 (048)	185,429
Highway Planning and Construction	20.205	BRLO-5910 (049)	153,177
Highway Planning and Construction	20.205	BRLO-5910 (056)	7,759
Highway Planning and Construction	20.205	BRLO-5910 (031)	248,581
Highway Planning and Construction	20.205	BRRS-V454 (001)	<u>969,105</u>
Subtotal 20.205			<u>2,393,148</u>
Passed through State Office of Traffic Safety:			
National Priority Safety Programs	20.616	DI1412	<u>98,741</u>
Total U.S. Department of Transportation			<u>2,491,889</u>
U.S. Department of Energy			
Passed through State Department of Community Services and Development:			
Weatherization Assistance for Low-Income Persons	81.042	11C-1804	<u>12,174</u>
Total U.S. Department of Energy			<u>12,174</u>
U.S. Department of Health and Human Services			
Direct Program:			
Voting Access for Individuals with Disabilities - Grants to States	93.617	-	2,681
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	-	104,709
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	-	<u>293,354</u>
Subtotal 93.243			<u>398,063</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

COUNTY OF GLENN
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

<u>Federal Program/Pass Through Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor Number</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services (Continued)			
Passed through State Department of Social Services:			
Promoting Safe and Stable Families	93.556	CEC-11-2014	\$ 25,001
Community-Based Child Abuse Prevention Grants	93.590	None	22,951
Stephanie Tubbs Jones Child Welfare Services Program	93.645	CEC-11-2014	35,050
Social Services Block Grant	93.667	CEC-11-2014	119,418
Chafee Foster Care Independence Program	93.674	CEC-11-2014	23,526
Guardianship Assistance	93.090	CEC-11-2014	113
Guardianship Assistance	93.090	800-11-2014	19,967
Subtotal 93.090			<u>20,080</u>
Temporary Assistance for Needy Families	93.558	CEC-11-2014	2,505,065
Temporary Assistance for Needy Families	93.558	800-11-2014	637,544
Subtotal 93.558			<u>3,142,609</u>
Foster Care - Title IV-E	93.658	CEC-11-2014	549,620
Foster Care - Title IV-E	93.658	800-11-2014	461,627
Subtotal 93.658			<u>1,011,247</u>
Adoption Assistance	93.659	CEC-11-2014	3,846
Adoption Assistance	93.659	800-11-2014	688,977
Subtotal 93.659			<u>692,823</u>
Passed through State Child Support Department:			
Child Support Enforcement	93.563	Glenn	481,013
Passed through State Department of Health Services:			
Public Health Emergency Preparedness	93.069	EPO 12-13	109,435
National Bioterrorism Hospital Preparedness Program	93.889	EPO 12-13	148,094
Immunization Cooperative Agreements	93.268	15-20328	24,498
Children's Health Insurance Program	93.767	CCS	19,929
Medical Assistance Program	93.778	IHSS	102,023
Medical Assistance Program	93.778	CHDP	89,602
Medical Assistance Program	93.778	CHDP FC	28,261
Medical Assistance Program	93.778	HCPCFC	28,932
Medical Assistance Program	93.778	CCS	75,076
Medical Assistance Program	93.778	CEC-11-2014	1,139,086
Subtotal 93.778			<u>1,462,980</u>
Passed through State Department of Mental Health Services:			
Block Grants for Community Mental Health Services	93.958	MHBG	115,383

See accompanying Notes to Schedule of Expenditures of Federal Awards

COUNTY OF GLENN
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

<u>Federal Program/Pass Through Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor Number</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services (Continued)			
Passed through State Department of Community Services and Development:			
Low-Income Home Energy Assistance	93.568	13B-5004	\$ 570,007
Low-Income Home Energy Assistance	93.568	14B-5004	<u>297,128</u>
Subtotal 93.568			<u>867,135</u>
Community Services Block Grant	93.569	13F-3011	129,353
Community Services Block Grant	93.569	13F-3103	59,403
Community Services Block Grant	93.569	13F-3119	51,103
Community Services Block Grant	93.569	14F-3011	<u>67,286</u>
Subtotal 93.569			<u>307,145</u>
Passed through State Department of Alcohol and Drug Programs:			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	13-NNA11	<u>435,502</u>
Total U.S. Department of Health and Human Services			<u>9,464,563</u>
Social Security Administration			
Direct Program:			
Supplemental Security Income (SSI)	96.006	-	<u>10,936</u>
Total Social Security Administration			<u>10,936</u>
Department of Homeland Security			
Passed through State Office of Emergency Services:			
Emergency Management Performance Grants	97.042	2013-0047	130,770
Homeland Security Grant Program	97.067	2011-0077	102,198
Homeland Security Grant Program	97.067	2012-0123	<u>6,804</u>
Subtotal 97.067			<u>109,002</u>
Total Department of Homeland Security			<u>239,772</u>
Total			<u>\$ 18,998,343</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

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COUNTY OF GLENN
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

1. REPORTING ENTITY

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the County of Glenn. The County of Glenn 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 of Expenditures of Federal Awards.

2. BASIS OF ACCOUNTING

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. The accompanying Schedule of Expenditures of Federal Awards, is presented using the modified accrual basis of accounting for grants accounted for in the governmental fund types and the accrual basis of accounting for grants accounted for in the proprietary fund types, as described in the notes to the County financial statements. In addition, the outstanding balance of prior year's loans that have significant continuing compliance requirements have been included in total federal expenditures.

3. RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree or can be reconciled with amounts reported in the related federal financial assistance reports.

4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree or can be reconciled with amounts reported in the County's basic financial statements.

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.

6. LOANS WITH CONTINUING COMPLIANCE REQUIREMENTS

The County participates in certain federal award programs that sponsor revolving loan programs, which are administered by the County. These programs require servicing arrangements with the County. The funds are returned to the programs upon repayment of the principal and interest. In accordance with Subpart B, Section 205 of the U.S. Office of Management and Budget Circular A-133, the County has reported the outstanding balance of loans from previous years that have significant continuing compliance requirements as of June 30, 2014, along with the value of total outstanding and new loans made during the current year.

COUNTY OF GLENN
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

6. LOANS WITH CONTINUING COMPLIANCE REQUIREMENTS (CONTINUED)

The programs listed below had the following aggregate, federally funded loans outstanding at June 30, 2014:

Federal CFDA	Program Title	Amount Outstanding	
		July 1, 2013	June 30, 2014
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	\$ 2,146,216	\$ 2,038,739
14.239	Home Investment Partnerships Program	<u>599,633</u>	<u>598,233</u>
	Total Loans Outstanding	<u>\$ 2,745,849</u>	<u>\$ 2,636,972</u>

7. PROGRAM CLUSTERS

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

Federal CFDA	Program Title	Federal Expenditures
<u>Child Nutrition Cluster</u>		
10.553	School Breakfast Program	\$ 10,526
10.555	National School Lunch Program	<u>16,564</u>
	Total	<u>\$ 27,090</u>
<u>Work Investment Act Cluster</u>		
17.258	WIA Adult Programs	\$ 28,110
17.259	WIA Youth Activities	<u>118,634</u>
	Total	<u>\$ 146,744</u>

COUNTY OF GLENN
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements	<u>Status</u>
1. Type of auditor's report issued	Unqualified
2. Internal controls over financial reporting:	
a. Material weaknesses identified?	Yes
b. Significant deficiencies identified not considered to be material weaknesses?	Yes
3. Noncompliance material to financial statements noted?	No
 Federal Awards	
1. Internal control over major programs:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified not considered to be material weaknesses?	No
2. Type of auditor's report issued on compliance for major programs:	Unqualified
3. Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 Section 510(a)?	No
4. Identification of major programs:	
10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	
10.557 Special Supplemental Nutrition Program for Women, Infants, and Children	
14.228 Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	
14.239 Home Investment Partnerships Program	
20.205 Highway Planning and Construction	
93.558 Temporary Assistance for Needy Families	
93.563 Child Support Enforcement	
93.658 Foster Care - Title IV-E	
93.659 Adoption Assistance	
5. Dollar threshold used to distinguish between Type A and Type B programs?	\$ 569,950
6. Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 530?	No

COUNTY OF GLENN
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014

SECTION II - FINANCIAL STATEMENT FINDINGS

Fund Accounting	2014-001
Capital Assets	2014-002
Year-End Closing Process	2014-003
Outside Bank Accounts	2014-004

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None

COUNTY OF GLENN
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014

2014-001 Fund Accounting (Material Weakness)

Condition

During our audit we noted the County was not properly recording the activity of the following special revenue funds: Artois Fire District (fund 1300), Hamilton Fire District (fund 1351), Bayliss Fire District (fund 1352), Willows Rural Fire (fund 1500), N Willows County Service Area (fund 1700), Olive Fruit Fly (fund 1753), and Community Action Agency (fund 6435). This is a repeat of a prior year finding.

Cause

The County records capital assets and long-term debt in these special revenue funds. In addition, the County does not close revenues, expenditures, and other financing sources to fund balance at the end of the year for the Community Action Agency.

Criteria

The current financial resources measurement focus and modified accrual basis of accounting should be used to record the activity of all special revenue funds.

Effect of Condition

The assets, liabilities, fund equity, revenues, expenditures, and other financing sources (uses) were misstated and required adjustment.

Recommendation

We recommend that the County properly record the activity in the special revenue funds and provide training to staff on proper accounting procedures.

Corrective Action Plan

The County has initiated a review process to ensure that fund accounting and financial reporting requirements are followed according to Generally Accepted Accounting Principles.

2014-002 Capital Assets (Material Weakness)

Condition

We noted that the general ledger presented for audit did not agree to the supporting depreciation schedules in the enterprise and internal services funds. We also noted that capital outlay was not reconciled to current year additions in the governmental funds.

Cause

The County recorded capital asset acquisitions as expenses in the enterprise and internal service funds instead of capitalizing the additions as capital assets. In the governmental funds current year additions did not agree to amounts recorded as capital outlay.

COUNTY OF GLENN
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014

2014-002 Capital Assets (Material Weakness) (Continued)

Criteria

Good internal control over capital assets requires that the general ledger presented for audit agree to the supporting depreciation schedules and that any journal entries necessary to capitalize additions be recorded prior to audit fieldwork. Also, the County should reconcile capital outlay to capital additions in the governmental funds.

Effect of Condition

Journal entries were required to capitalize current year additions in the enterprise and internal service funds. We could not reconcile current year capital asset additions to amounts recorded as capital outlay in the governmental funds.

Recommendation

We recommend that the County review the general ledger and depreciation schedules prior to presentation to the outside auditors, and make any adjustments to capital outlay or the capital asset accounts as required for accurate presentation.

Corrective Action Plan

The County has purchased an ERP system whose fixed asset module should address the problem. Failing that, the County will purchase a stand alone capital asset management software solution. Additionally, the County will implement a reconciliation process to agree capital outlays to the capital asset schedules.

2014-003 Year-End Closing Process (Significant Deficiency)

Condition

At the time of our audit we noted the financial statements presented to us for audit contained misstatements that required adjustments. Many of these adjustments were noted as a part of the audit process and certain adjustments were not available until March 2015. This is a repeat of a prior year finding.

Cause

The process to close the County's accounting records and produce the annual financial report is labor intensive and the reports produced by the accounting system can require additional analysis and reconciliation.

Criteria

Government auditing standards require independent auditors to evaluate all unadjusted misstatements of financial statements. Also producing timely audited financial statements is more difficult when adjustments are not recorded prior to the start of the annual audit.

COUNTY OF GLENN
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014

2014-003 Year-End Closing Process (Significant Deficiency) (Continued)

Effect of Condition

The financial statements as presented to us for audit contained misstatements and required adjustment.

Recommendation

We recommend that the County strive to record all adjustments in a timely manner so that required adjustments can be recorded prior to the start of the annual audit.

Corrective Action Plan

The County will improve its year-end closing procedures to ensure that all known activity related to the fiscal year under audit gets recorded prior to the closing of the County's accounting records. The Assistant Director of Finance and Internal Auditor are going to conduct training and implement a year-end closing checklist to accomplish this goal.

2014-004 Outside Bank Accounts (Significant Deficiency)

Condition

We noted that the County has several bank accounts set up to handle monies held in trust for various County departments which are not recorded on the County general ledger. This is a repeat of a prior year finding.

Cause

The County has had an unofficial policy of not recording money on the general ledger that is not under the control or supervision of the Finance Director.

Criteria

Good internal control requires that all County bank account balances including monies held in trust be recorded on the general ledger.

Effect of Condition

The risk of errors or irregularities occurring and not being detected in a timely manner is increased when all bank accounts for which the County is responsible are not recorded on the County general ledger.

Recommendation

We recommend that the County investigate all bank accounts under the County's name or control and determine if the accounts should be closed or be recorded in the County general ledger.

COUNTY OF GLENN
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014

2014-004 Outside Bank Accounts (Significant Deficiency) (Continued)

Corrective Action Plan

The County will close or record all bank accounts under the County's name or control in the general ledger.

COUNTY OF GLENN
Schedule of Prior Year Findings and Questioned Costs
For the Year Ended June 30, 2014

<u>Audit Reference</u>	<u>Status of Prior Audit Recommendations</u>
13-FS-01	<p>Prior Period Adjustments</p> <p>Recommendation</p> <p>We recommend that the County improve its internal control system and its policies and procedures in reviewing detail general ledger accounts. Help as necessary should be obtained from departments to capture all activity that occurs during the year and to reconcile the detail ledger on a timely basis to the general ledger to prevent errors.</p> <p>Status</p> <p>Implemented</p>
13-FS-02	<p>Fund Accounting</p> <p>Recommendation</p> <p>We recommend that the County properly record the activity in the Community Action Agency special revenue fund and provide training to staff on proper accounting practices.</p> <p>Status</p> <p>Not Implemented</p>
13-FS-03	<p>OPEB Allocation</p> <p>Recommendation</p> <p>We recommend that the County develop an allocation methodology for the OPEB obligation and provide proper support for the allocation methodology. We also recommend that the calculation of the OPEB obligation be completed prior to the start of the annual audit and properly recorded in the proprietary fund financial statements.</p> <p>Status</p> <p>Implemented</p>

COUNTY OF GLENN
Schedule of Prior Year Findings and Questioned Costs
For the Year Ended June 30, 2014

<u>Audit Reference</u>	<u>Status of Prior Audit Recommendations</u>
13-FS-04	<p>Capital Assets</p> <p>Recommendation</p> <p>We recommend that the County review the capital assets and depreciation schedules to ensure that all assets meeting the capitalization limit are included and properly depreciated and that current year additions, retirements, and transfers from construction in progress are correctly stated.</p> <p>Status</p> <p>In Progress</p>
13-SA-01	<p>ARRA - RECOVERY ACT - EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT (JAG) PROGRAM/GRANTS TO STATES AND TERRITORIES</p> <p>Recommendation</p> <p>We recommend that the County request grant reimbursements only for amount actually expended and that documentation and reconciliations to the general ledger be maintained.</p> <p>Status</p> <p>Implemented</p>
13-SA-02	<p>FOSTER CARE - TITLE IV-E</p> <p>Recommendation</p> <p>We recommend that the County require that the FC 3's be signed by the Eligibility Worker and that this person check the appropriate box showing determination of the recipient eligibility on the bottom of this form. We also recommend that the County incorporate into their review process procedures to ensure that the FC 3's are properly completed and executed.</p> <p>Status</p> <p>Implemented</p>

Supplemental Schedules

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COUNTY OF GLENN
Supplemental Schedule
California Emergency Management Agency
For the Year Ended June 30, 2014

The following schedule represents expenditures for U.S. Department of Justice grants passed through the State of California, Emergency Management Agency (CalEMA), as well as CalEMA funded grant expenditures for the year ended June 30, 2014. This information is included in the County's single audit report at the request of CalEMA.

<u>Program</u>	<u>Expenditures Claimed</u>			<u>Share of Expenditures Current Year</u>		
	<u>For the Period Through June 30, 2013</u>	<u>For the Year Through June 30, 2014</u>	<u>Cumulative As of June 30, 2014</u>	<u>Federal Share</u>	<u>State Share</u>	<u>County Share</u>
<u>VW 1318 0110 - Victim Witness</u>						
Personal services	\$ -	\$ 90,041	\$ 90,041	\$ 51,207	\$ 38,834	\$ -
Operating expenses	-	20,069	20,069	314	19,755	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ -</u>	<u>\$ 110,110</u>	<u>\$ 110,110</u>	<u>\$ 51,521</u>	<u>\$ 58,589</u>	<u>\$ -</u>
<u>AT 1209 0110 - Child Abuse Treatment Program</u>						
Personal services	\$ 129,598	\$ 35,393	\$ 164,991	\$ 35,393	\$ -	\$ -
Operating expenses	11,432	1,900	13,332	1,900	-	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ 141,030</u>	<u>\$ 37,293</u>	<u>\$ 178,323</u>	<u>\$ 37,293</u>	<u>\$ -</u>	<u>\$ -</u>
<u>AT 1310 0110 - Child Abuse Treatment Program</u>						
Personal services	\$ -	\$ 90,165	\$ 90,165	\$ 90,165	\$ -	\$ -
Operating expenses	-	6,983	6,983	6,983	-	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ -</u>	<u>\$ 97,148</u>	<u>\$ 97,148</u>	<u>\$ 97,148</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF GLENN
Supplemental Schedule of Revenue and Expenditures
CSD Contract No. 11C-1804 (DOE-WX)
For the Period July 1, 2012 Through January 31, 2014

	July 1, 2013 through June 30, 2014	July 1, 2013 through January 31, 2014	Totals
Revenue			
Grant revenue	\$ 65,232	\$ 12,174	\$ 77,406
Total Revenue	<u>\$ 65,232</u>	<u>\$ 12,174</u>	<u>\$ 77,406</u>
Expenditures			
Administrative costs	\$ 2,522	\$ 354	\$ 2,876
Program Costs:			
Training and technical assistance	450	539	989
General/operating expenditures	17,836	2,704	20,540
Direct program activities	37,663	6,352	44,015
Health and safety activities	6,761	2,225	8,986
Total Program Costs	<u>62,710</u>	<u>11,820</u>	<u>74,530</u>
Total Expenditures	<u>\$ 65,232</u>	<u>\$ 12,174</u>	<u>\$ 77,406</u>

COUNTY OF GLENN
Supplemental Schedule of Revenue and Expenditures
CSD Contract No. 13B-5004 (WX) (LIHEAP)
For the Period January 1, 2013 Through January 31, 2014

	<u>January 1 through June 30, 2013</u>	<u>July 1, 2013 through June 30, 2014</u>	<u>Totals</u>
Revenue			
Grant revenue	\$ 27,053	\$ 184,669	\$ 211,722
Total Revenue	<u>\$ 27,053</u>	<u>\$ 184,669</u>	<u>\$ 211,722</u>
Expenditures			
Administrative costs	\$ 1,196	\$ 15,192	\$ 16,388
Program Costs:			
Intake	276	20,288	20,564
Outreach	1,830	11,020	12,850
Training and technical assistance	2,040	10,810	12,850
Direct program activities	16,353	88,174	104,527
Minor vehicle and field equipment (less than \$5,000)	10	1,471	1,481
Workers' compensation	1,249	1,719	2,968
General operating expenditures	2,811	37,283	40,094
Total Program Costs	<u>24,569</u>	<u>170,765</u>	<u>195,334</u>
Total Expenditures	<u>\$ 25,765</u>	<u>\$ 185,957</u>	<u>\$ 211,722</u>

COUNTY OF GLENN
Supplemental Schedule of Revenue and Expenditures
CSD Contract No. 13B-5004 (ECIP/HEAP)
For the Period January 1, 2013 Through January 31, 2014

	<u>January 1 through June 30, 2013</u>	<u>July 1, 2013 through January 31, 2014</u>	<u>Totals</u>
Revenue			
Grant revenue	\$ 47,186	\$ 384,050	\$ 431,236
Total Revenue	<u>\$ 47,186</u>	<u>\$ 384,050</u>	<u>\$ 431,236</u>
Expenditures			
Assurance 16 costs:			
Assurance 16 activities	\$ 1,488	\$ 42,822	\$ 44,310
Administrative costs EHA 16:			
Administrative costs	834	27,316	28,150
Intake:			
Intake costs	5,047	46,759	51,806
Outreach:			
Outreach	4,115	28,263	32,378
Training and technical assistance:			
Training and technical assistance	4,202	8,749	12,951
ECIP/HEAP:			
ECIP EHCS Diagnostics	-	2,074	2,074
ECIP EHCS Cooling service repair/replacement	-	6,608	6,608
ECIP EHCS Heating service repair/replacement	-	30,096	30,096
ECIP Water heater service repair/replacement	-	10,457	10,457
ECIP EHCS Other programs	-	1,774	1,774
ECIP Wood, propane, and oil payments	-	97,000	97,000
Severe weather energy assistance and transporation services	-	2,066	2,066
HEAP Wood, propane, and oil payments	31,500	23,000	54,500
General operating	-	20,086	20,086
Automation supplemental	-	36,980	36,980
Total ECIP/HEAP	<u>31,500</u>	<u>230,141</u>	<u>261,641</u>
Total Expenditures	<u>\$ 47,186</u>	<u>\$ 384,050</u>	<u>\$ 431,236</u>

COUNTY OF GLENN
Supplemental Schedule of Revenue and Expenditures
CSD Contract No. 14B-5004 (WX) (LIHEAP)
For the Period January 1, 2014 Through June 30, 2014

	<u>January 1 through June 30, 2014</u>	<u>Totals</u>
Revenue		
Grant revenue	\$ 136,621	\$ 136,621
Interest revenue	16	16
	<hr/>	<hr/>
Total Revenue	<u>\$ 136,637</u>	<u>\$ 136,637</u>
Expenditures		
Administrative costs	<u>\$ 6,747</u>	<u>\$ 6,747</u>
Program Costs:		
Intake	10,346	10,346
Outreach	5,191	5,191
Training and technical assistance	9,383	9,383
Direct program activities	66,634	66,634
Minor vehicle and field equipment (less than \$5,000)	967	967
Workers' compensation	3,582	3,582
General operating expenditures	<u>33,787</u>	<u>33,787</u>
	<hr/>	<hr/>
Total Program Costs	<u>129,890</u>	<u>129,890</u>
	<hr/>	<hr/>
Total Expenditures	<u>\$ 136,637</u>	<u>\$ 136,637</u>

COUNTY OF GLENN
Supplemental Schedule of Revenue and Expenditures
CSD Contract No. 14B-5004 (ECIP/HEAP)
For the Period January 1, 2014 Through June 30, 2014

	January 1 through June 30, 2014	Totals
Revenue		
Grant revenue	\$ 160,470	\$ 160,470
Interest revenue	20	20
	<hr/>	<hr/>
Total Revenue	<u>\$ 160,490</u>	<u>\$ 160,490</u>
Expenditures		
Assurance 16 costs:		
Assurance 16 activities	<u>\$ 11,876</u>	<u>\$ 11,876</u>
Administrative costs EHA 16:		
Administrative costs	<u>8,897</u>	<u>8,897</u>
Intake:		
Intake costs	<u>17,148</u>	<u>17,148</u>
Outreach:		
Outreach	<u>17,770</u>	<u>17,770</u>
Training and technical assistance:		
Training and technical assistance	<u>-</u>	<u>-</u>
ECIP/HEAP:		
ECIP EHCS Diagnostics	1,002	1,002
ECIP EHCS Cooling service repair/replacement	6,196	6,196
ECIP EHCS Heating service repair/replacement	12,002	12,002
ECIP Water heater service repair/replacement	6,706	6,706
ECIP EHCS Other programs	2,226	2,226
ECIP Wood, propane, and oil payments	56,500	56,500
HEAP Wood, propane, and oil payments	17,090	17,090
Automation supplemental	<u>3,077</u>	<u>3,077</u>
Total ECIP/HEAP	<u>104,799</u>	<u>104,799</u>
Total Expenditures	<u>\$ 160,490</u>	<u>\$ 160,490</u>

COUNTY OF GLENN
Supplemental Schedule of Revenue and Expenditures
CSD Contract No. 13F-3011 (CSBG)
For the Period January 1, 2013 Through December 31, 2013

	<u>January 1 through June 30, 2013</u>	<u>July 1 through December 31, 2013</u>	<u>Totals</u>
Revenue			
Grant revenue	\$ 111,160	\$ 129,353	\$ 240,513
Interest revenue	1	-	1
Total Revenue	<u>\$ 111,161</u>	<u>\$ 129,353</u>	<u>\$ 240,514</u>
Expenditures			
Administrative Costs:			
Salaries and wages	\$ 47,305	\$ 53,657	\$ 100,962
Fringe benefits	25,015	28,728	53,743
Operating expenses	16,216	9,713	25,929
Out-of-state travel	34	2,761	2,795
Other costs	16,558	21,987	38,545
Total Administrative Costs	<u>105,128</u>	<u>116,846</u>	<u>221,974</u>
Program Costs:			
Subcontractor services	<u>6,032</u>	<u>12,507</u>	<u>18,539</u>
Total Program Costs	<u>6,032</u>	<u>12,507</u>	<u>18,539</u>
Total Expenditures	<u>\$ 111,160</u>	<u>\$ 129,353</u>	<u>\$ 240,513</u>

COUNTY OF GLENN
Supplemental Schedule of Revenue and Expenditures
CSD Contract No. 13F-3103 (CSBG)
For the Period January 1, 2013 Through June 30, 2014

	<u>January 1 through June 30, 2013</u>	<u>July 1, 2013 through June 30, 2014</u>	<u>Totals</u>
Revenue			
Grant revenue	\$ 1,305	\$ 59,403	\$ 60,708
Total Revenue	<u>\$ 1,305</u>	<u>\$ 59,403</u>	<u>\$ 60,708</u>
Expenditures			
Administrative Costs:			
Salaries and wages	\$ -	\$ 2,106	\$ 2,106
Fringe benefits		1,253	1,253
Other costs	74	4,967	5,041
Total Administrative Costs	<u>74</u>	<u>8,326</u>	<u>8,400</u>
Program Costs:			
Salaries and wages	577	25,641	26,218
Fringe benefits	309	13,741	14,050
Operating expenses	-	206	206
Other costs	345	11,489	11,834
Total Program Costs	<u>1,231</u>	<u>51,077</u>	<u>52,308</u>
Total Expenditures	<u>\$ 1,305</u>	<u>\$ 59,403</u>	<u>\$ 60,708</u>

COUNTY OF GLENN
Supplemental Schedule of Revenue and Expenditures
CSD Contract No. 13F-3119 (CSBG)
For the Period July 1, 2013 Through June 30, 2014

	<u>July 1, 2013 through June 30, 2014</u>	<u>Totals</u>
Revenue		
Grant revenue	\$ 51,103	\$ 51,103
Total Revenue	<u>\$ 51,103</u>	<u>\$ 51,103</u>
Expenditures		
Administrative Costs:		
Salaries and wages	\$ 1,577	\$ 1,577
Fringe benefits	1,285	1,285
Other costs	<u>1,099</u>	<u>1,099</u>
Total Administrative Costs	<u>3,961</u>	<u>3,961</u>
Program Costs:		
Salaries and wages	7,922	7,922
Fringe benefits	4,770	4,770
Operating expenses	1,366	1,366
Subcontractor/consultant services	29,995	29,995
Other costs	<u>3,089</u>	<u>3,089</u>
Total Program Costs	<u>47,142</u>	<u>47,142</u>
Total Expenditures	<u>\$ 51,103</u>	<u>\$ 51,103</u>

COUNTY OF GLENN
Supplemental Schedule of Revenue and Expenditures
CSD Contract No. 14F-3011 (CSBG)
For the Period January 1, 2014 Through June 30, 2014

	January 1 through June 30, 2014	Totals
Revenue		
Grant revenue	\$ 67,264	\$ 67,264
Interest revenue	22	22
	<u>\$ 67,286</u>	<u>\$ 67,286</u>
Expenditures		
Administrative Costs:		
Salaries and wages	\$ 30,952	\$ 30,952
Fringe benefits	15,622	15,622
Operating expenses	5,716	5,716
Other costs	11,989	11,989
	<u>64,279</u>	<u>64,279</u>
Program Costs:		
Subcontractor/consultant services	3,007	3,007
	<u>3,007</u>	<u>3,007</u>
Total Expenditures	<u>\$ 67,286</u>	<u>\$ 67,286</u>