

**COUNTY OF TRINITY**  
**SINGLE AUDIT REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2016**

CliftonLarsonAllen LLP



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING



**COUNTY OF TRINITY**

Single Audit Report  
For the Year Ended June 30, 2016

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**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**

The Honorable Board of Supervisors  
County of Trinity  
Weaverville, California

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

We have audited the County of Trinity's (County) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016. The County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

**Opinion on Each Major Federal Program**

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

**Report on Internal Control Over Compliance**

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform

The Honorable Board of Supervisors  
County of Trinity

Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

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

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

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, 2016, were audited by GALLINA LLP, whose practice became part of CliftonLarsonAllen LLP as of January 1, 2017, and whose report dated December 29, 2016 expressed an unmodified opinion on those financial statements. Their report included a reference to other auditors who audited the financial statements of Waterworks District No. 1, a discretely presented component unit. Their report did 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. Their audit was conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



Roseville, California  
January 25, 2017

**COUNTY OF TRINITY**

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

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
<b><u>U.S. Department of Agriculture</u></b>				
Passed through State Department of Social Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	-	\$ 464,300	\$ --
Passed through State Department of Health Services:				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	-	270,923	--
Total U.S. Department of Agriculture			<u>\$ 735,223</u>	<u>\$ --</u>
<b><u>U.S. Department of Education</u></b>				
Passed through the State Office of Education:				
Special Education Grants (IDEA)	84.027	-	4,182	--
Total U.S. Department of Education			<u>\$ 4,182</u>	<u>\$ --</u>
<b><u>U.S. Department of Interior</u></b>				
Direct Programs:				
Central Valley Project Improvement Act Title XXXIV	15.532	-	7,941	--
Total U.S. Department of Interior			<u>\$ 7,941</u>	<u>\$ --</u>
<b><u>U.S. Department of Housing and Urban Development</u></b>				
Passed through State Department of Housing and Urban Development:				
Community Development Block Grant/States Program	14.228	10-DRI-6793	1,425,009	--
Community Development Block Grant/States Program - Loans	14.228	-	1,418,620	--
Subtotal CFDA Number 14.228			<u>2,843,629</u>	<u>--</u>
Home Investment Partnership Program				
Outstanding Loan Balance	14.239	-	3,210,384	--
Total U.S. Department of Housing and Urban Development			<u>\$ 6,054,013</u>	<u>\$ --</u>
<b><u>U.S. Department of Justice</u></b>				
Direct Programs:				
Grants to Encourage Policies and Enforcement of Protection Orders Program	16.590	2011-WE-AX-0003	104,490	--
Bulletproof Vest Partnership Program	16.607	-	11,660	--
Subtotal Direct Programs			<u>116,150</u>	<u>--</u>
Passed through California Emergency Management Agency:				
Crime Victim Witness Program	16.575	VW15200530	48,181	--
Domestic Cannabis Eradication Suppression Program	16.922	-	75,961	--
Subtotal Pass-Through			<u>124,142</u>	<u>--</u>
Total U.S. Department of Justice			<u>\$ 240,292</u>	<u>\$ --</u>
<b><u>U.S. Department of Transportation</u></b>				
Direct Programs:				
Airport Improvement Program FAA	20.106	3-06-0310-005-2016	3,402	--
Airport Improvement Program FAA	20.106	3-06-0260-009-2016	4,446	--
Airport Improvement Program FAA	20.106	3-06-0260-008-2016	4,186	--
Subtotal CFDA Number 20.106			<u>12,034</u>	<u>--</u>
Passed Through State Department of Transportation:				
Highway Planning and Construction	20.205	BRLO-5905(082)	137,255	--
Highway Planning and Construction	20.205	BRLO-5905(090)	66,869	--
Highway Planning and Construction	20.205	BRLO-5905(91)	107,382	--
Highway Planning and Construction	20.205	BRLO-5905(092)	86,869	--
Highway Planning and Construction	20.205	BRLO-5905(095)	65,241	--
Highway Planning and Construction	20.205	BRLO-5905(071)	2,822,075	--
Highway Planning and Construction	20.205	BRLO-5905(110)	183,551	--
Highway Planning and Construction	20.205	BRLO-5905(103)	8,533	--
Highway Planning and Construction	20.205	BRLO-5905(108)	3,461	--
Highway Planning and Construction	20.205	BRLO-5905(114)	1,784	--
Highway Planning and Construction	20.205	RPSTPL-5905(036)	1,327,157	--
Highway Planning and Construction	20.205	RPSTPL-5905(069)	28,654	--
Highway Planning and Construction	20.205	RPSTPL-5905(102)	3,676,730	--

See accompanying Notes to Schedule of Expenditures of Federal Awards

**COUNTY OF TRINITY**

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

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
<b><u>U.S. Department of Transportation (continued)</u></b>				
Passed Through State Department of Transportation (continued):				
Highway Planning and Construction	20.205	RPSTPLE-5905(072)	\$ 86,343	\$ --
Highway Planning and Construction	20.205	RPSTPLE-5905(073)	4,622	--
Hazzard Elimination Safety Program	20.205	HSIPL-5905(099)	48,644	--
Hazzard Elimination Safety Program	20.205	HSIPL-5905(100)	41,899	--
Hazzard Elimination Safety Program	20.205	HSIPL-5905(101)	13,412	--
Subtotal CFDA Number 20.205			<u>8,710,481</u>	<u>--</u>
Interagency Hazardous Material Emergency Public Sector Training and Planning Grants	20.703	4701-501	<u>2,228</u>	<u>--</u>
Formula Grants for Rural Areas	20.509	64C015-00334	180,840	--
Formula Grants for Rural Areas	20.509	64C015-00333	300,000	--
Formula Grants for Rural Areas	20.509	6414008	139,637	--
Subtotal CFDA Number 20.509			<u>620,477</u>	<u>--</u>
Total U.S. Department of Transportation			<u>\$ 9,345,220</u>	<u>\$ --</u>
<b><u>U.S. Department of Health and Human Services</u></b>				
Passed through State Department Social Services:				
Guardianship Assistance	93.090	-	1,905	--
Promoting Safe and Stable Families	93.556	-	22,672	--
Child Support Enforcement	93.563	-	315,288	--
Community Based Child Abuse Prevention Grants	93.590	-	21,957	--
Stephanie Tubbs Jones Child Welfare Services Program	93.645	-	77,153	--
Social Services Block Grant	93.667	-	109,240	--
Chafee Foster Care Independence Program	93.674	-	25,753	--
Temporary Assistance for Needy Families	93.558	-	1,402,993	--
Subtotal Pass-Through			<u>1,976,961</u>	<u>--</u>
Foster Care Title IV-E	93.658	-	731,608	--
Foster Care Title IV-E	93.658	-	451,209	--
Subtotal CFDA Number 93.658			<u>1,182,817</u>	<u>--</u>
Adoption Assistance	93.659	-	636,349	--
Adoption Assistance	93.659	-	30,300	--
Subtotal CFDA Number 93.659			<u>666,649</u>	<u>--</u>
Passed through State Department of Health Care Services:				
Immunization Cooperative Grants	93.268	-	35,136	--
Children's Health Insurance Program	93.767	-	9,040	--
Maternal and Child Health Services Block Grant to the States	93.994	-	73,775	--
Subtotal Pass-Through			<u>117,951</u>	<u>--</u>
Medical Assistance Programs	93.778	-	613,268	--
Medical Assistance Programs - Foster Care	93.778	-	19,879	--
Medical Assistance Programs	93.778	-	1,452,643	--
Medical Assistance Programs	93.778	-	31,507	--
Medical Assistance Programs	93.778	-	51,721	--
Subtotal CFDA Number 93.778			<u>2,169,018</u>	<u>--</u>
Passed through State Department of Public Health:				
Hospital Preparedness Program	93.074	-	152,143	--
Public Health Emergency Preparedness Program	93.074	-	163,147	--
Subtotal CDF A Number 93.074			<u>315,290</u>	<u>--</u>
Passed through State Department of Mental Health:				
Assistance in Transition from Homelessness	93.150	-	16,641	--
Substance Abuse and Mental Health Services Administration (SAMSHA)	93.958	-	118,261	--
Subtotal Pass-Through			<u>134,902</u>	<u>--</u>
Passed through State Department of Alcohol and Drug Abuse:				
Block Grants for Prevention and Treatment of Substance Abuse (SAPT)	93.959	-	394,586	--
Total U.S. Department of Health and Human Services			<u>\$ 6,958,174</u>	<u>\$ --</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

**COUNTY OF TRINITY**

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

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Expenditures to Subrecipients</u>
<b><u>U.S. Department of Homeland Security</u></b>				
Passed through State Department of Homeland Security: Homeland Security Grant Program - HSGP14	97.067	2014-0093	\$ 88,768	\$ --
<b><u>U.S. Department of Homeland Security (continued)</u></b>				
Passed through California Emergency Management Agency: Emergency Management Performance Grant	97.042	2015-0049	127,732	--
Total U.S. Department of Homeland Security			\$ 216,500	\$ --
<b>Total Expenditures of Federal Awards</b>			<b>\$ 23,561,545</b>	<b>\$ --</b>

See accompanying Notes to Schedule of Expenditures of Federal Awards

**COUNTY OF TRINITY**

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

**NOTE 1: BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the County of Trinity for the year ended June 30, 2016. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

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

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

**NOTE 3: CATALOG OF FEDERAL DOMESTIC (CFDA) NUMBERS**

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2016 *Catalog of Federal Domestic Assistance*. When no CFDA number had been assigned to a program, the two-digit federal agency identifier and the federal contract number were used. When there was no federal contract number, the two-digit federal agency identifier and the word "unknown" were used.

**NOTE 4: INDIRECT COST RATE**

The County did not elect to use the 10% de minimis indirect cost rate as covered in 2 CFR §200.414. Uniform Guidance, §200.510(6), requires the County to disclose whether or not it elected to use the 10 percent de minimis cost rate that §200.414(f) allows for nonfederal entities that have never received a negotiated indirect cost rate.

**NOTE 5: LOANS WITH CONTINUING COMPLIANCE REQUIREMENTS**

The following schedule presents the amount of outstanding loans by CFDA No. that have continuing compliance requirements. The County's loans are administered by the Trinity County Grants Department. All loans are provided by the U.S. Department of Housing and Urban Development and flow through the State Department of Housing and Urban Development:

<u>CFDA No.</u>	<u>Federal Program</u>	<u>Outstanding Loans</u>
14.228	Community Development Block Grant/States Program	\$ 1,723,732
14.239	Home Investment Partnership Program	3,282,435



**COUNTY OF TRINITY**

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

**Section 1**

Summary of Auditor's Results

Financial Statements

- |  |               |
|--|---------------|
| 1. Type of auditor's report issued:                      | Unmodified    |
| 2. Internal control over financial reporting:            |               |
| a. Material weaknesses identified?                       | No            |
| b. Significant deficiencies identified?                  | None Reported |
| 3. Noncompliance material to financial statements noted? | No            |

Federal Awards

- |   |               |
|---|---------------|
| 1. Internal control over major programs:  |               |
| a. Material weaknesses identified?  | No            |
| b. Significant deficiencies identified?   | None Reported |
| 2. Type of auditor's report issued on compliance for major programs:                                  | Unmodified    |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | No            |

4. Identification of major programs:

CFDA Number

Name of Federal Program

20.205  
93.658

Highway Planning and Construction  
Foster Care

- |   |            |
|---|------------|
| 5. Dollar threshold used to distinguish between Type A and Type B programs: | \$ 750,000 |
| 6. Auditee qualified as a low-risk auditee?                                 | Yes        |

**COUNTY OF TRINITY**

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

**Section 2**

Financial Statement Findings

None Reported

**Section 3**

Federal Award Findings and Questioned Costs

None Reported

**COUNTY OF TRINITY**

Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2015

There were no findings noted for the year ended June 30, 2015.