

**COUNTY OF SISKIYOU,  
CALIFORNIA**



**SINGLE AUDIT ACT  
REPORTS AND SCHEDULES  
FOR THE YEAR ENDED  
JUNE 30, 2022**

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**COUNTY OF SISKIYOU**  
**Single Audit Act**  
**For the Year Ended June 30, 2022**

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

To the Board of Supervisors and the Grand Jury  
County of Siskiyou  
Yreka, 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 Siskiyou, California, (County) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 25, 2023.

**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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 deficiency described in the accompanying schedule of findings and questioned costs as item 2022-003 to be a material weakness.

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 as items 2022-004 through 2022-006 to be significant deficiencies.

To the Board of Supervisors and the Grand Jury  
County of Siskiyou  
Yreka, California

### **Compliance and Other Matters**

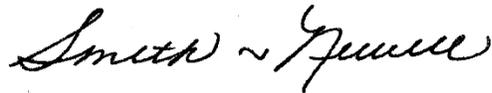
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

### **County's Responses to Findings**

Government Auditing Standards requires the auditor to perform limited procedures on the County's responses to the findings identified in our audit and described in the accompanying management's corrective action plan. 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 the responses.

### **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  
July 25, 2023

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
THE UNIFORM GUIDANCE**

To the Board of Supervisors and the Grand Jury  
County of Siskiyou  
Yreka, California

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

**Opinion on Each Major Federal Program**

We have audited the County of Siskiyou, California's (County) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2022. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

**Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

**Responsibilities of Management for Compliance**

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

To the Board of Supervisors and the Grand Jury  
County of Siskiyou  
Yreka, California

### **Auditor's Responsibilities for the Audit of Compliance**

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

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures, including examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-002. Our opinion on each major federal program is not modified with respect to these matters.

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

To the Board of Supervisors and the Grand Jury  
County of Siskiyou  
Yreka, California

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or 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.

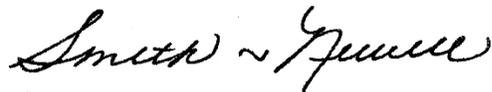
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant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

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

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

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

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the County of Siskiyou, California, (County) as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated July 25, 2023, which contained a qualified opinion on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Smith & Newell CPAs  
Yuba City, California  
July 25, 2023

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**COUNTY OF SISKIYOU**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2022**

Federal Program/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>U.S. Department of Agriculture</b>				
State Department of Social Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	-	\$ -	\$ 1,450,029
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - COVID	10.561	-	-	39,425
State Department of Public Health:				
Supplemental Nutrition Assistance Program	10.551	19-10348	-	152,820
<b>SNAP Cluster (10.551 and 10.561)</b>			-	1,642,274
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	19-10191	-	465,532
State Controller's Office:				
Schools and Roads - Grants to Counties	10.666	-	-	2,635,029
<b>Forest Service Schools and Roads Cluster (10.666)</b>			-	2,635,029
State Department of Food and Agriculture:				
Forest Health Protection	10.680	17-PA11050500-016	-	509
Forest Health Protection	10.680	21-PA-11050500-021	-	15,000
<b>Subtotal 10.680</b>			-	15,509
<b>Total U.S. Department of Agriculture</b>			-	4,758,344
<b>Department of Housing and Urban Development</b>				
State Department of Housing and Community Development:				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	Program Income	-	60,360
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	Outstanding Loans	-	1,471,560
<b>Subtotal 14.228</b>			-	1,531,920
Home Investment Partnerships Program	14.239	Outstanding Loans	-	260,025
<b>Total Department of Housing and Urban Development</b>			-	1,791,945

See accompanying Notes to Schedule of Expenditures of Federal Awards

**COUNTY OF SISKIYOU**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2022**

Federal Program/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>U.S. Department of the Interior</b>				
Direct Program:				
Geothermal Resources	15.434	-	\$ -	\$ 25,000
SECURE Water Act - Research Agreements	15.560	-	-	126,441
Fish and Wildlife Management Assistance	15.608	-	-	20,362
Partners for Fish and Wildlife	15.631	-	-	5,222
Fish and Wildlife Coordination and Assistance Programs	15.664	-	-	20,000
U.S. Geological Survey - Research and Data Collection	15.808	-	-	7,513
<b>Total U.S. Department of the Interior</b>			-	204,538
<b>U.S. Department of Justice</b>				
Direct Program:				
Drug Court Discretionary Grant Program	16.585	-	-	187,726
State Emergency Management Agency:				
Crime Victim Assistance	16.575	VW 2028 0470	-	45,527
Crime Victim Assistance	16.575	VW 2129 0470	-	91,757
Crime Victim Assistance	16.575	XC 2003 0470	-	73,901
Crime Victim Assistance	16.575	XC 2104 0470	-	18,181
<b>Subtotal 16.575</b>			-	229,366
<b>Total U.S. Department of Justice</b>			-	417,092
<b>U.S. Department of Transportation</b>				
Direct Program:				
Airport Improvement Program	20.106	-	-	339,997
Airport Improvement Program - COVID	20.106	-	-	61,386
<b>Subtotal 20.106</b>			-	401,383
State Department of Transportation:				
Highway Planning and Construction	20.205	BRLS-5902 (080)	-	63,742
Highway Planning and Construction	20.205	RPSTPL-5902 (083)	-	37,807
<b>Highway Planning and Construction Cluster (20.205)</b>			-	101,549
Federal Transit Administration:				
Formula Grants for Rural Areas and Tribal Transit Program	20.509	64BO21-01707	-	282,224
<b>Total U.S. Department of Transportation</b>			-	785,156

See accompanying Notes to Schedule of Expenditures of Federal Awards

**COUNTY OF SISKIYOU**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2022**

Federal Program/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>U.S. Department of the Treasury</b>				
State Department of Finance:				
Coronavirus State and Local Fiscal Recovery Funds	21.027	-	\$ -	\$ 635,299
<b>Total U.S. Department of the Treasury</b>			-	635,299
<b>U.S. Department of Health and Human Services</b>				
State Department of Social Services:				
Promoting Safe and Stable Families	93.556	-	-	38,994
Temporary Assistance for Needy Families	93.558	-	-	3,432,900
Stephanie Tubbs Jones Child Welfare Services Program	93.645	-	-	34,877
Social Services Block Grant	93.667	-	-	130,145
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	-	-	27,719
Elder Abuse Prevention Interventions Program	93.747	-	-	4,958
Guardianship Assistance	93.090	-	-	165,016
Guardianship Assistance - COVID	93.090	-	-	20,245
<b>Subtotal 93.090</b>			-	185,261
Foster Care - Title IV-E	93.658	-	-	1,391,170
Foster Care - Title IV-E - COVID	93.658	-	-	44,079
<b>Subtotal 93.658</b>			-	1,435,249
Adoption Assistance	93.659	-	-	2,102,762
Adoption Assistance - COVID	93.659	-	-	260,454
<b>Subtotal 93.659</b>			-	2,363,216
State Department of Child Support Services:				
Child Support Enforcement	93.563	-	-	1,122,301
State Department of Health Care Services:				
Public Health Emergency Preparedness	93.069	-	-	144,374
Project Grants and Cooperative Agreements for Tuberculosis Control Program	93.116	2147R-TA00	-	11,817
Injury Prevention and Control Research and State and Community Based Programs	93.136	21-10821	-	17,881
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.354	-	-	42,803
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.391	CERI-21-23-39	-	57,894
Maternal and Child Health Services Block Grant to the States	93.944	19-10454	-	2,253
Maternal and Child Health Services Block Grant to the States	93.994	MCH	-	82,503

See accompanying Notes to Schedule of Expenditures of Federal Awards

**COUNTY OF SISKIYOU**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2022**

Federal Program/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>U.S. Department of Health and Human Services (Continued)</b>				
State Department of Health Care Services (Continued):				
Immunization Cooperative Agreements	93.268	17-10353	\$ -	\$ 49,072
Immunization Cooperative Agreements - COVID	93.268	17-10353	-	225,335
<b>Subtotal 93.268</b>			-	274,407
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	COVID-19ELC47	-	950,743
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	COVID-19ELC105	-	592,462
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	ELCCON-85	-	6,119
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	0187-5180	-	40,016
<b>Subtotal 93.323</b>			-	1,589,340
National Bioterrorism Hospital Preparedness Program	93.889	-	-	117,850
Medical Assistance Program	93.778	CCS	-	75,699
Medical Assistance Program	93.778	CHDP	-	17,761
Medical Assistance Program	93.778	HCPCFC	-	6,509
Medical Assistance Program	93.778	20-10550	-	21,261
Medical Assistance Program	93.778	IHSS	-	29,247
Medical Assistance Program	93.778	Veteran Services	-	5,657
Medical Assistance Program	93.778	-	-	1,123,628
<b>Medicaid Cluster (93.778)</b>			-	1,279,762
State Department of Mental Health Services:				
Block Grants for Community Mental Health Services	93.958	SAMHSA	-	182,123
Block Grants for Community Mental Health Services - COVID	93.958	MHBG-ARPA	-	14,322
<b>Subtotal 93.958</b>			-	196,445
State Department of Alcohol and Drug Programs:				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	SABG	-	463,068
Block Grants for Prevention and Treatment of Substance Abuse - COVID	93.959	SABG-CRRSAA	-	30,194
Block Grants for Prevention and Treatment of Substance Abuse - COVID	93.959	SABG-ARPA	-	20,678
<b>Subtotal 93.959</b>			-	513,940
<b>Total U.S. Department of Health and Human Services</b>			-	13,106,889

See accompanying Notes to Schedule of Expenditures of Federal Awards

**COUNTY OF SISKIYOU**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2022**

Federal Program/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>U.S. Executive Office of the President</b>				
County of Sacramento:				
High Intensity Drug Trafficking Areas Program	95.001	G13CV0002	-	106,223
<b>Total U.S. Executive Office of the President</b>			-	106,223
<b>U.S. Social Security Administration</b>				
Direct Program:				
Supplemental Security Income	96.006	-	-	2,401
<b>Disability Insurance/SSI Cluster (96.006)</b>			-	2,401
<b>Total U.S. Social Security Administration</b>			-	2,401
<b>Department of Homeland Security</b>				
State Office of Emergency Services:				
Emergency Management Performance Grants	97.042	2020-0019	-	78,403
Emergency Management Performance Grants	97.042	2021-0015	-	133,970
<b>Subtotal 97.042</b>			-	212,373
Homeland Security Grant Program	97.067	2019-0035	-	33,967
Homeland Security Grant Program	97.067	2020-0095	-	24,781
<b>Subtotal 97.067</b>			-	58,748
<b>Total Department of Homeland Security</b>			-	271,121
<b>Total</b>			\$ -	\$ 22,079,008

See accompanying Notes to Schedule of Expenditures of Federal Awards

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**COUNTY OF SISKIYOU**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2022**

**1. REPORTING ENTITY**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the County of Siskiyou, California. The County of Siskiyou 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 on the Schedule of Expenditures of Federal Awards. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

**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. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursements.

**3. INDIRECT COST RATE**

The County has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**4. 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.

**5. 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.

**6. 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 and the identifying number is shown as unknown.

**COUNTY OF SISKIYOU**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2022**

**7. 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 Section 200.510 of the Uniform Guidance, the County has reported the outstanding balance of loans from previous years that have significant continuing compliance requirements as of June 30, 2022, along with the value of total outstanding and new loans made during the current year.

The programs listed below had the following aggregate, federally funded loans outstanding at June 30, 2022:

		<u>Amount Outstanding</u>	
<u>Assistance Listing No.</u>	<u>Program Title</u>	<u>July 1, 2021</u>	<u>June 30, 2022</u>
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	\$ 1,471,560	\$ 1,433,065
14.239	Home Investment Partnerships Program	<u>260,025</u>	<u>259,725</u>
	Total	<u>\$ 1,731,585</u>	<u>\$ 1,692,790</u>

**COUNTY OF SISKIYOU**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2022**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

<b>Financial Statements</b>	<u>Status</u>
1. Type of auditor's report issued:	Modified
2. Internal controls over financial reporting:	
a. Material weaknesses identified?	Yes
b. Significant deficiencies identified and 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 and not considered to be material weaknesses?	No
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 Section 200.516(a)?	Yes
4. Identification of major programs:	
10.551 Supplemental Nutrition Assistance Program	
10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	
10.666 Schools and Roads – Grants to Counties	
14.228 Community Development Block Grants/ State's Program and Non-Entitlement Grants in Hawaii	
21.027 Coronavirus State and Local Fiscal Recovery Funds	
93.659 Adoption Assistance	
93.959 Block Grants for Prevention and Treatment of Substance Abuse	
5. Dollar threshold used to distinguish between Type A and Type B programs?	\$750,000
6. Auditee qualified as a low-risk auditee under 2 CFR Section 200.520?	No

**SECTION II - FINANCIAL STATEMENT FINDINGS**

Implementation of Governmental Accounting Standards Board Statement	2022-003
Receivables	2022-004
Schedule of Expenditures of Federal Awards	2022-005
Amortization of Intangible Assets	2022-006

**SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

14.228 Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	2022-001
93.959 Block Grants for Prevention and Treatment of Substance Abuse	2022-002

**COUNTY OF SISKIYOU**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2022**

**2022-001**

**Name:** Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii  
**Assistance Listing #:** 14.228  
**Federal Grantor:** U.S. Department of Housing and Urban Development  
**Pass Through Entity:** State Department of Housing and Community Development  
**Award No.:** Various  
**Year:** 2021/2022  
**Compliance Requirement:** Program Income

**Criteria**

Proper grant compliance requires that CDBG loan be monitored for compliance with the loan provisions regarding default.

**Condition**

During our test of nine loan recipients, we noted that the County had not verified that the loan recipients carried insurance for one tested.

**Cause**

There was not adequate monitoring of loans receivable to ensure compliance with loan provisions for one loan recipient.

**Effect**

The County did not monitor one CDBG loan for compliance with the loan provisions regarding default.

**Questioned Cost**

No questioned costs were identified as a result of our procedures.

**Context**

We randomly selected nine loan recipients to test loan monitoring procedures. Sampling was a statistically valid sample. We noted one of the nine recipients were not in compliance with the CDBG loan agreements.

**Repeat Finding**

This is not a repeat finding.

**Recommendation**

We recommend that the County develop a program to monitor compliance with the loan provisions in accordance with the County Loan Servicing Policies and Procedures.

**Views of Responsible Officials and Planned Corrective Action**

Refer to separate Management's Corrective Action Plan for views of responsible officials and management's responses.

**COUNTY OF SISKIYOU**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2022**

**2022-002**

**Name:** Block Grants for Prevention and Treatment of Substance Abuse  
**Assistance Listing #:** 93.959  
**Federal Grantor:** U.S. Department of Health and Human Services  
**Pass Through Entity:** State Department of Alcohol and Drug Programs  
**Award No.:** SABG  
**Year:** 2021/2022  
**Compliance Requirement:** Allowable Costs/Cost Principles

**Criteria**

Indirect costs allocated to federal programs should be calculated based on the actual indirect cost rate provided by the County Auditor-Controller.

**Condition**

During our testing of major programs, we noted that the Department did not calculate the indirect costs allocated to the SABG program correctly.

**Cause**

The Department did not calculate the indirect cost applied to the program correctly.

**Effect**

The Department overcharged the SABG program for indirect costs.

**Questioned Cost**

The County charged the program approximately \$18,194 more than the correct charge.

**Context**

The condition noted above was identified during our procedures related to reporting over the programs.

**Repeat Finding**

This is not a repeat finding.

**Recommendation**

We recommend that the Department review the calculation used to allocate indirect costs to the program and verify that it is calculated correctly.

**Views of Responsible Officials and Planned Corrective Action**

Refer to separate Management's Corrective Action Plan for views of responsible officials and management's responses.

**COUNTY OF SISKIYOU**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2022**

**2022-003 Implementation of Governmental Accounting Standards Board Statement  
(Material Weakness)**

**Criteria**

All governmental entities are required to implement all reporting requirements as they are issued.

**Condition**

The County did not implement GASB Statement No. 84 – Fiduciary Activities to classify the fiduciary funds by type and additions and deductions of each fund type.

**Cause**

The County did not have enough staff to implement the reporting statement.

**Effect**

The financial statements were not in compliance with the reporting standards of GASB.

**Questioned Cost**

No questioned costs were identified as a result of our procedures.

**Context**

Not applicable.

**Repeat Finding**

This is not a repeat finding.

**Recommendation**

We recommend that the County implement GASB Statement No. 84 and classify all fiduciary funds and all additions and deductions.

**Views of Responsible Officials and Planned Corrective Action**

Refer to separate Management’s Corrective Action Plan for views of responsible officials and management’s responses.

**COUNTY OF SISKIYOU**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2022**

**2022-004 Receivables (Significant Deficiency)**

**Criteria**

Governmental auditing standards require independent auditors to evaluate all misstatements of financial statements.

**Condition**

At the time of our audit, we noted that accounts receivable required an adjustment of approximately \$2,411,608.

**Cause**

The County did not record approximately \$2,411,608 in receivables at year-end.

**Effect**

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

**Questioned Cost**

No questioned costs were identified as a result of our procedures.

**Context**

Not applicable.

**Repeat Finding**

This is not a repeat finding.

**Recommendation**

We recommend that the County review receivables at year-end to determine if they have properly accrued all necessary receivables.

**Views of Responsible Officials and Planned Corrective Action**

Refer to separate Management's Corrective Action Plan for views of responsible officials and management's responses.

**COUNTY OF SISKIYOU**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2022**

**2022-005 Schedule of Expenditures of Federal Awards (Significant Deficiency)**

**Criteria**

Uniform Guidance Title 2 Section 200.510(b) requires that the County prepare a Schedule of Expenditures of Federal Awards (SEFA) for the period covered by the County's financial statements. Section 200.502 states that the determination of when a federal award is expended should be based on when the activity related to the federal award occurs.

**Condition**

Expenditures reported on the Schedule of Expenditures of Federal Awards (SEFA) as presented at the beginning of audit fieldwork was overstated by \$2,578,368.

**Cause**

The County departments did not provide accurate information to include on the SEFA that was provided to us at the beginning of the audit.

**Effect**

Expenditures reported on the SEFA prepared by the County were incorrectly stated and required adjustment.

**Questioned Cost**

No questioned costs were identified as a result of our procedures.

**Context**

Not applicable.

**Repeat Finding**

This is not a repeat finding.

**Recommendation**

We recommend that the County review the requirements of the Uniform Guidance to ensure that the expenditures reported on the SEFA are correctly stated.

**Views of Responsible Officials and Planned Corrective Action**

Refer to separate Management's Corrective Action Plan for views of responsible officials and management's responses.

**COUNTY OF SISKIYOU**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2022**

**2022-006 Amortization of Intangible Assets (Significant Deficiency)**

**Criteria**

GASB Statement 51 requires intangible assets that have a definite useful life be amortized.

**Condition**

We noted that intangible assets were not being amortized.

**Cause**

The County had not set up amortization schedules for assets that should be amortized.

**Effect**

The amortization expense had not been recorded on the financial statements.

**Questioned Cost**

No questioned costs were identified as a result of our procedures.

**Context**

Review of Capital Assets

**Repeat Finding**

This is not a repeat finding.

**Recommendation**

We recommend that intangible assets that have a definite useful life be amortized.

**Views of Responsible Officials and Planned Corrective Action**

Refer to separate Management's Corrective Action Plan for views of responsible officials and management's responses.

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COUNTY OF SISKIYOU

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COUNTY AUDITOR-CONTROLLER  
Diane Olson, Auditor-Controller

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**COUNTY OF SISKIYOU, CALIFORNIA**

Prior Year Schedule of Findings and Questioned Costs

and

Management's Corrective Action Plan

For the Year Ended June 30, 2022

Compiled by: Diane Olson, Auditor-Controller

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**COUNTY OF SISKIYOU**  
**Prior Year Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2022**

<u>Audit Reference</u>	<u>Status of Prior Year Recommendations</u>
<b>2021-001</b>	<p><b>Implementation of Governmental Accounting Standards Board Statement</b></p> <p><b>Recommendation</b></p> <p>We recommend that the County implement GASB Statement No. 84 and classify all fiduciary funds and all additions and deductions.</p> <p><b>Status</b></p> <p>Not Implemented</p>
<b>2021-002</b>	<p><b>Receivables</b></p> <p><b>Recommendation</b></p> <p>We recommend that the County review receivables and allowance for doubtful accounts at year-end to determine if they have properly accrued all necessary receivables and allowances.</p> <p><b>Status</b></p> <p>Partially Implemented</p>

**COUNTY OF SISKIYOU**  
**Management's Corrective Action Plan**  
**For the Year Ended June 30, 2022**

**2022-001 Community Development Block Grants/State's Program and Non-Entitlement in Hawaii**

We recommend that the County develop a program to monitor compliance with the loan provisions in accordance with the County Loan Servicing Policies and Procedures.

Management's Response: The County concurs with the recommendation.

Responsible Individual: Diane Olson, Auditor-Controller

Corrective Action Plan: We will implement a process to review loan documents.

Anticipated Completion Date: June 30, 2023

**2022-002 Block Grants for Prevention and Treatment of Substance Abuse**

We recommend that the Department review the calculation used to allocate indirect costs to the program and verify that it is calculated correctly.

Management's Response: The County concurs with the recommendation.

Responsible Individual: Kristen Lackey, Project Coordinator

Corrective Action Plan: We will review the indirect cost allocation process.

Anticipated Completion Date: June 30, 2023

**2022-003 Implementation of Governmental Accounting Standards Board Statement (Material Weakness)**

We recommend that the County implement GASB Statement No. 84 and classify all fiduciary funds and all additions and deductions.

Management's Response: The County concurs with the recommendation.

Responsible Individual: Diane Olson, Auditor-Controller

Corrective Action Plan: We will analyze the trust funds.

Anticipated Completion Date: June 30, 2023

**COUNTY OF SISKIYOU**  
**Management's Corrective Action Plan**  
**For the Year Ended June 30, 2022**

**2022-004 Receivables (Material Weakness)**

We recommend that the County review receivables at year-end to determine if they have properly accrued all necessary receivables.

Management's Response: The County concurs with the recommendation.

Responsible Individual: Diane Olson, Auditor-Controller

Corrective Action Plan: We will review the County accrual process.

Anticipated Completion Date: June 30, 2023

**2022-005 Schedule of Expenditures of Federal Awards**

We recommend that the County review the requirements of the Uniform Guidance to ensure that the expenditures reported on the SEFA are correctly stated.

Management's Response: The County concurs with the recommendation.

Responsible Individual: Diane Olson, Auditor-Controller

Corrective Action Plan: We will review the preparation of the SEFA.

Anticipated Completion Date: June 30, 2023

**2022-006 Amortization of Intangible Assets**

We recommend that intangible assets that have a definite useful life be amortized.

Management's Response: The County concurs with the recommendation.

Responsible Individual: Diane Olson, Auditor-Controller

Corrective Action Plan: We will analyze the intangible assets.

Anticipated Completion Date: June 30, 2023

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