

**COUNTY OF SISKIYOU,
CALIFORNIA**



**SINGLE AUDIT ACT
REPORTS AND SCHEDULES
FOR THE YEAR ENDED
JUNE 30, 2023**

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COUNTY OF SISKIYOU
Single Audit Act
For the Year Ended June 30, 2023

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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, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 23, 2024.

Report on 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 2023-002 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 2023-003 through 2023-005 to be significant deficiencies.

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

Report on Compliance and Other Matters

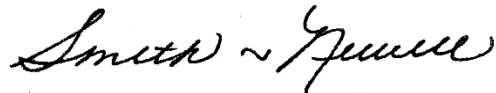
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 other 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
May 23, 2024

**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, 2023. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 item 2023-001. 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 finding 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.

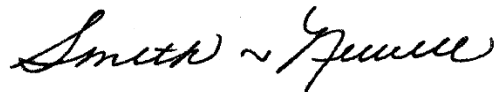
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant 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, 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, 2023 and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated May 23, 2024, 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
May 23, 2024

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COUNTY OF SISKIYOU
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Federal Program/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Agriculture				
State Department of Social Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	-	\$ -	\$ 1,293,654
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program - COVID	10.561	-	-	(657)
State Department of Public Health:				
Supplemental Nutrition Assistance Program	10.551	19-10348	-	155,138
SNAP Cluster (10.551 and 10.561)			-	1,448,135
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	19-10191	-	120,874
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	22-10293	-	343,129
Subtotal 10.557			-	464,003
State Controller's Office:				
Schools and Roads - Grants to Counties	10.666	-	-	1,841,309
Forest Service Schools and Roads Cluster (10.666)			-	1,841,309
State Department of Food and Agriculture:				
Forest Health Protection	10.680	21-PA-11050500-021	-	8,573
Total U.S. Department of Agriculture			-	3,762,020
Department of Housing and Urban Development				
State Department of Housing and Community Development:				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	20-CDBG-PI-12013	-	93,887
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	21-CDBG-PI-00017	-	43,610
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	Outstanding Loans	-	1,433,065
Subtotal 14.228			-	1,570,562
Home Investment Partnerships Program	14.239	Outstanding Loans	-	259,725
Total Department of Housing and Urban Development			-	1,830,287

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, 2023

Federal Program/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of the Interior				
Direct Program:				
Geothermal Resources	15.434	-	\$ -	\$ 25,000
Fish and Wildlife Management Assistance	15.608	-	-	25,118
Partners for Fish and Wildlife	15.631	-	-	11,844
Fish and Wildlife Coordination and Assistance Programs	15.664	-	-	2,999
U.S. Geological Survey - Research and Data Collection	15.808	-	-	7,513
Total U.S. Department of the Interior			-	72,474
U.S. Department of Justice				
Direct Program:				
Drug Court Discretionary Grant Program	16.585	-	-	95,201
State Emergency Management Agency:				
Crime Victim Assistance	16.575	VW 2129 0470	-	53,775
Crime Victim Assistance	16.575	VW 2230 0470	-	164,170
Crime Victim Assistance	16.575	XC 2104 0470	-	67,161
Crime Victim Assistance	16.575	XC 2205 0470	-	41,812
Subtotal 16.575			-	326,918
Total U.S. Department of Justice			-	422,119
U.S. Department of Transportation				
Direct Program:				
Airport Improvement Program	20.106	-	-	19,226
Airport Improvement Program - COVID	20.106	-	-	345,788
Subtotal 20.106			-	365,014
State Department of Transportation:				
Highway Planning and Construction	20.205	BRLS-5902 (080)	-	155,957
Highway Planning and Construction	20.205	RPSTPL-5902 (083)	-	34,875
Subtotal 20.205			-	190,832
Federal Transit Administration:				
Formula Grants for Rural Areas and Tribal Transit Program	20.509	64VBA22-02055	-	366,891
Total U.S. Department of Transportation			-	922,737
U.S. Department of the Treasury				
State Department of Finance:				
Coronavirus State and Local Fiscal Recovery Funds	21.027	-	-	2,954,616
Local Assistance and Tribal Consistency Fund	21.032	-	-	302,084
Total U.S. Department of the Treasury			-	3,256,700

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, 2023

Federal Program/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Health and Human Services				
State Department of Social Services:				
Promoting Safe and Stable Families	93.556	-	\$ -	\$ 83,029
Temporary Assistance for Needy Families	93.558	-	-	4,104,889
Adoption Incentive Payments	93.603	-	-	247
Stephanie Tubbs Jones Child Welfare Services Program	93.645	-	-	30,827
Social Services Block Grant	93.667	-	-	129,793
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	-	-	26,522
Guardianship Assistance	93.090	-	-	192,382
Guardianship Assistance - COVID	93.090	-	-	22,246
Subtotal 93.090			-	214,628
Foster Care - Title IV-E	93.658	-	-	1,040,550
Foster Care - Title IV-E - COVID	93.658	-	-	28,385
Subtotal 93.658			-	1,068,935
Adoption Assistance	93.659	-	-	2,206,135
Adoption Assistance - COVID	93.659	-	-	257,628
Subtotal 93.659			-	2,463,763
Elder Abuse Prevention Interventions Program	93.747	-	-	5,215
Elder Abuse Prevention Interventions Program - COVID	93.747	-	-	14,573
Subtotal 93.747			-	19,788
State Department of Child Support Services:				
Child Support Enforcement	93.563	-	-	1,213,571
State Department of Health Care Services:				
Public Health Emergency Preparedness	93.069	-	-	135,792
Injury Prevention and Control Research and State and Community Based Programs	93.136	21-10821	-	31,844
Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391	CERI-21-23-39	-	42,389
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	19-10454	-	4,668
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	21-10591	-	83,576
Maternal and Child Health Services Block Grant to the States	93.994	MCH	-	76,485
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	2247SPND00	-	19,519
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	2247ADDF00	-	1,505
Subtotal 93.116			-	21,024

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, 2023

Federal Program/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Health and Human Services (Continued)				
State Department of Health Care Services (Continued):				
Immunization Cooperative Agreements	93.268	22-11084	\$ -	\$ 49,072
Immunization Cooperative Agreements - COVID	93.268	22-11084	-	295,766
Subtotal 93.268			-	344,838
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	6 NU90TP922071-01-02	-	18,163
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	-	-	97,921
Subtotal 93.354			-	116,084
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	COVID-19ELC47	-	332,336
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	COVID-19ELC105	-	881,347
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	ELCCON-85	-	7,300
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	0187-5180	-	13,591
Subtotal 93.323			-	1,234,574
National Bioterrorism Hospital Preparedness Program	93.889	-	-	150,421
National Bioterrorism Hospital Preparedness Program - COVID	93.889	-	-	596
Subtotal 93.889			-	151,017
Medical Assistance Program	93.778	CCS	-	91,440
Medical Assistance Program	93.778	CHDP	-	24,171
Medical Assistance Program	93.778	HCPCFC	-	2,366
Medical Assistance Program	93.778	20-10550	-	31,121
Medical Assistance Program	93.778	IHSS	-	75,805
Medical Assistance Program	93.778	Veteran Services	-	10,249
Medical Assistance Program	93.778	MCH	-	14,914
Medical Assistance Program	93.778	-	-	1,581,531
Medicaid Cluster (93.778)			-	1,831,597
State Department of Mental Health Services:				
Block Grants for Community Mental Health Services	93.958	SAMHSA	-	168,622
Block Grants for Community Mental Health Services - COVID	93.958	MHBG-ARPA	-	12,702
Subtotal 93.958			-	181,324

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, 2023

Federal Program/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Health and Human Services (Continued)				
State Department of Alcohol and Drug Programs:				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	SABG	\$ -	\$ 351,427
Block Grants for Prevention and Treatment of Substance Abuse - COVID	93.959	SABG-CRRSAA	-	69,725
Block Grants for Prevention and Treatment of Substance Abuse - COVID	93.959	SABG-ARPA	-	25,722
Subtotal 93.959			-	446,874
Total U.S. Department of Health and Human Services			-	14,058,078
U.S. Executive Office of the President				
County of Sacramento:				
High Intensity Drug Trafficking Areas Program	95.001	G13CV0002	-	82,002
Total U.S. Executive Office of the President			-	82,002
U.S. Social Security Administration				
Direct Program:				
Supplemental Security Income	96.006	-	-	3,600
Disability Insurance/SSI Cluster (96.006)			-	3,600
Total U.S. Social Security Administration			-	3,600
Department of Homeland Security				
State Office of Emergency Services:				
Emergency Management Performance Grants	97.042	2021-0014	-	45,845
Emergency Management Performance Grants	97.042	2022-0005	-	136,415
Subtotal 97.042			-	182,260
Homeland Security Grant Program	97.067	2019-0035	-	45,642
Homeland Security Grant Program	97.067	2020-0095	-	6,308
Homeland Security Grant Program	97.067	2021-0081	-	23,632
Homeland Security Grant Program	97.067	2022-0043	-	18,980
Subtotal 97.067			-	94,562
Total Department of Homeland Security			-	276,822
Total			\$ -	\$ 24,686,839

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, 2023

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. In addition, the outstanding balance of prior years' loans that have significant continuing compliance requirements have been included in total federal expenditures.

3. INDIRECT COST RATE

The County has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance, except for the Highway Planning and Construction grant programs passed through the State Department of Transportation (ALN 20.205, Highway Planning and Construction grant numbers BRLS-5902 (080) and RDSTPL-5902 (083)).

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, 2023

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, 2023:

		<u>Amount Outstanding</u>	
<u>Assistance Listing No.</u>	<u>Program Title</u>	<u>July 1, 2022</u>	<u>June 30, 2023</u>
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	\$ 1,433,065	\$ 1,257,976
14.239	Home Investment Partnerships Program	<u>259,725</u>	<u>259,575</u>
	Total	<u>\$ 1,692,790</u>	<u>\$ 1,517,551</u>

COUNTY OF SISKIYOU
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements	<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:	
14.228 Community Development Block Grants/ State's Program and Non-Entitlement Grants in Hawaii	
14.239 Home Investment Partnerships Program	
21.027 Coronavirus State and Local Fiscal Recovery Funds	
21.032 Local Assistance and Tribal Consistency Fund	
93.558 Temporary Assistance for Needy Families	
93.658 Foster Care – Title IV-E	
93.778 Medical Assistance Program	
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 Nos. 84 and 96	2023-002
Receivables	2023-003
Amortization of Intangible Assets	2023-004
Monies Held in Auditor's Trust	2023-005

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

14.228 Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	2023-001
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COUNTY OF SISKIYOU
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

2023-001

Name: Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii
Assistance Listing #: 14.228
Federal Grantor: Department of Housing and Urban Development
Pass Through Entity: State Department of Housing and Community Development
Award No.: Various
Year: 2022/2023
Compliance Requirement: Program Income

Criteria

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

Condition

During our test of six loan recipients, we noted that the County had not verified that the loan recipients were still owners of the homes secured by the loan or still lived in the homes for two tested and insurance was not maintained for one tested.

Cause

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

Effect

The County did not monitor two CDBG loans 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 six loan recipients to test loan monitoring procedures. Sampling was a statistically valid sample. We noted two of the six recipients were not in compliance with the CDBG loan agreements.

Repeat Finding

This is a repeat of prior year finding 2022-001.

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, 2023

2023-002 Implementation of Governmental Accounting Standards Board Statement Nos. 84 and 96 (Material Weakness)

Criteria

All governmental entities are required to implement all GASB statements if applicable to the County.

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, and Statement No. 96 – Subscription-Based Information Technology Arrangements (SBITAs) to record SBITAs in accordance with GASB 96.

Cause

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

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 a repeat of prior year finding 2022-003.

Recommendation

We recommend that the County implement GASB Statement Nos. 84 and 96 and classify all fiduciary funds and all additions and deductions according to the statement, and report SBITAs according to the Statements.

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, 2023

2023-003 Receivables (Significant Deficiency)

Criteria

Governmental auditing standards require independent auditors to evaluate all misstatements of financial statements, including the allowance for doubtful accounts.

Condition

At the time of our audit, we noted that accounts receivable required an additional accrual of approximately \$2,785,920. In addition, the allowance for doubtful accounts of approximately \$525,066 had not been reconciled.

Cause

The County did not have enough staff to review the accruals.

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 a repeat of prior year finding 2022-004.

Recommendation

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.

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, 2023

2023-004 Amortization of Intangible Assets (Significant Deficiency)

Criteria

GASB Statement No. 51 requires intangible assets that have definite useful lives 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

Noted during the audit of capital assets.

Repeat Finding

This is a repeat of prior year finding 2022-006.

Recommendation

We recommend that intangible assets that have definite useful lives 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.

COUNTY OF SISKIYOU
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

2023-005 Monies Held in Auditor's Trust (Significant Deficiency)

Criteria

Only money held in a fiduciary capacity can be held in the trust.

Condition

We noted that as of June 30, 2023, approximately \$644,855 of grant monies had been deposited and were being held in the Auditor's Trust.

Cause

At the beginning of our fieldwork the Auditor's Trust had not been reconciled as of June 30, 2023.

Effect

Grant monies were held in a trust instead of being reported in the County's funds.

Questioned Cost

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

Context

We examined various trust accounts to determine that only trust monies are being held in a fiduciary capacity.

Repeat Finding

This is not a repeat finding.

Recommendation

We recommend the Auditor's Trust be reconciled to open deposits each month.

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

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, 2023

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, 2023

<u>Audit Reference</u>	<u>Status of Prior Year Recommendations</u>
2022-001	<p>Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii</p> <p>Recommendation</p> <p>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.</p> <p>Status</p> <p>In Progress</p>
2022-002	<p>Block Grants for Prevention and Treatment of Substance Abuse</p> <p>Recommendation</p> <p>We recommend that the Department review the calculation used to allocate indirect costs to the program and verify that it is calculated correctly.</p> <p>Status</p> <p>Implemented</p>
2022-003	<p>Implementation of Governmental Accounting Standards Board Statement</p> <p>Recommendation</p> <p>We recommend that the County implement GASB Statement No. 84 and classify all fiduciary funds and all additions and deductions.</p> <p>Status</p> <p>Not Implemented</p>
2022-004	<p>Receivables</p> <p>Recommendation</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>Status</p> <p>Not Implemented</p>

COUNTY OF SISKIYOU
Prior Year Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

<u>Audit Reference</u>	<u>Status of Prior Year Recommendations</u>
2022-005	<p>Schedule of Expenditures of Federal Awards</p> <p>Recommendation</p> <p>We recommend that the County review the requirements of the Uniform Guidance to ensure that the expenditures reported on the SEFA are correctly stated.</p> <p>Status</p> <p>Implemented</p>
2022-006	<p>Amortization of Intangible Assets</p> <p>Recommendation</p> <p>We recommend that intangible assets that have a definite useful life be amortized.</p> <p>Status</p> <p>Not Implemented</p>

COUNTY OF SISKIYOU
Management's Corrective Action Plan
For the Year Ended June 30, 2023

2023-001 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 finding.

Responsible Individual: Kristen Lackey, Project Coordinator

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

Anticipated Completion Date: June 30, 2024

2022-002 Implementation of Governmental Accounting Standards Board Statement Nos. 84 and 96 (Material Weakness)

We recommend that the County implement GASB Statement Nos. 84 and 96 and classify all fiduciary funds and all additions and deductions according to the statement, and report SBITAs according to the Statements.

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

Responsible Individual: Diane Olson, Auditor-Controller

Corrective Action Plan: As soon as the budget process is completed, we will begin the process of implementing GASB Statement Nos. 84 and 96.

Anticipated Completion Date: June 30, 2024

2023-003 Receivables (Material Weakness)

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.

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

Responsible Individual: Diane Olson, Auditor-Controller

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

Anticipated Completion Date: June 30, 2024

2023-004 Amortization of Intangible Assets (Significant Deficiency)

We recommend that intangible assets that have definite useful lives be amortized.

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

Responsible Individual: Diane Olson, Auditor-Controller

Corrective Action Plan: We will analyze the intangible assets.

Anticipated Completion Date: June 30, 2024

COUNTY OF SISKIYOU
Management's Corrective Action Plan
For the Year Ended June 30, 2023

2023-005 Monies Held in Auditor's Trust (Significant Deficiency)

We recommend the Auditor's Trust be reconciled to open deposits each month.

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

Responsible Individual: Diane Olson, Auditor-Controller

Corrective Action Plan: With the turnover in staff and lack of staff, the Auditor's Office has lost critical historical knowledge as to where funds should be deposited and thus, have been placed in the Auditor's Trust for safekeeping. We have implemented a process to balance the Auditor's Trust on a monthly basis so that the funds that are placed in this account are identified and transferred on a monthly basis.

Anticipated Completion Date: June 30, 2024