COUNTY OF YUBA

SINGLE AUDIT REPORT

YEAR ENDED JUNE 30, 2025

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COUNTY OF YUBA
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YEAR ENDED JUNE 30, 2025

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

Honorable Board of Supervisors
County of Yuba
Marysville, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of County of Yuba, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County of Yuba's basic financial statements, and have issued our report thereon dated June 3, 2026. Our report includes a reference to other auditors who audited the financial statements of Yuba County Water Agency and the Yuba First Five Commission, discretely presented component units, as described in our report on the County's financial statements. This report does 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.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered County of Yuba'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 County of Yuba's internal control. Accordingly, we do not express an opinion on the effectiveness of County of Yuba'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 2025-001 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 deficiency described in the accompanying schedule of findings and questioned costs as item 2025-002 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 of Yuba's Response to Findings

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

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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Roseville, California
June 3, 2026

INDEPENDENT AUDITORS' 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

Honorable Board of Supervisors
County of Yuba
Marysville, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the County of Yuba's (the 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, 2025. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of the Yuba County Water Agency (the Agency) and the Yuba First Five Commission (the Commission), discretely presented component units. Our audit, described below, did not include the operations of the Agency and the Commission because the Agency and the Commission engaged other auditors to perform an audit of compliance.

In our opinion, the County complied, in all material respects, with the 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, 2025.

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 (GAAS); 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County of Yuba 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.

Auditors' 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 GAAS, *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 GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment 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 include examining, on a test basis, evidence regarding County of Yuba'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 2025-003. 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 compliance 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.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2025-003, to be a significant deficiency.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the internal control over compliance 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.

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.

Honorable Board of Supervisors
County of Yuba

Report on the 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated June 3, 2026, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by 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 basic 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.

Other Information

The Supplementary Schedules of the Department of Community Services and Development, which is the responsibility of management, is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Roseville, California
June 3, 2026

COUNTY OF YUBA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
U. S. Department of Agriculture				
Passed Through CA Department of Food & Agriculture:				
Plant and Animal Disease, Pest Control, and Animal Care-GWSS	10.025	AP24PPQFO000C002	$ 920	$ -
Plant and Animal Disease, Pest Control, and Animal Care-GWSS	10.025	AP24PPQFO000C002	1,252	-
Plant and Animal Disease, Pest Control, and Animal Care-GWSS	10.025	AP25PPQFO000C011	6,410	-
Subtotal Assistance Listing Number - 10.025			8,582	-
Passed Through CA State Department of Education Child Nutrition:				
School Breakfast Program	10.553	03109-SN-58-R	24,665	-
After School Snack Program	10.555	03109-SN-58-R	7,131	-
National School Lunch Program	10.555	03109-SN-58-R	39,884	-
Subtotal Assistance Listing Number - 10.555			47,015	-
Total - Child Nutrition Cluster			71,680	-
Passed Through State Department of Social Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program- NAFS	10.561	N/A	4,414,340	-
Total - SNAP Cluster			4,414,340	-
Total U.S. Department of Agriculture			**4,494,602**	**-**
U. S. Department of Housing and Urban Development				
Passed Through State Department of Housing and Community Development:				
High Visibility Striping/Pullouts	14.228	17-MITPPS-21034 (1500918)	112,820	-
Infrastructure Roadside Fuel Reduction	14.228	17-MITRIP-17011 (1500921)	67,055	-
Fernwood Park Residential Infill Project	14.228	20-CDBG-12055 (1500922)	16,110	-
Audible Alarm System	14.228	17-MITPPS-21033 (1500924)	17,314	-
Multifamily Housing Project-CDBG	14.228	20-DRMHP-00001 (1500906)	44,527	-
Owner-Occupied Rehabilitation Program-CDBG	14.228	20-CDBG-12068 (1500915)	93,003	-
Outstanding Loan Balance - CDBG	14.228	N/A	10,929,002	-
Outstanding Loan Balance - EDBG	14.228	N/A	185,035	-
Subtotal Assistance Listing Number - 14.228			11,464,866	-
Homeless Emergency Shelter Planning Project	14.231	21-CDBG-PL-30003 (1500920)	96,180	-
Outstanding Loan Balance-HOME	14.239	N/A	2,442,532	-
Total U.S. Department of Housing and Urban Development			**14,003,578**	**-**
U. S. Department of Justice				
Passed Through California Governors Office of Emergency Services:				
Crime Victim Assistance - Child Abuse Treatment Program	16.575	AT24027501	149,709	-
Crime Victim Assistance-County Victim Services Program	16.575	XC23 06 0580	66,706	-
Crime Victim Assistance - Victim Witness Assistance Program	16.575	VW24027501	202,799	-
Subtotal Assistance Listing Number - 16.575			419,214	-
Direct Programs:				
State Criminal Alien Assistance Program (SCAAP)	16.606	N/A	52,687	-
Bulletproof Vest Partnership Program	16.607	N/A	8,387	-
COPS School Violence Prevention Program	16.710	N/A	108,357	-
COPS Technology and Equipment Program	16.710	N/A	2,838,097	-
Subtotal Assistance Listing Number - 16.710			2,946,454	-
Equitable Sharing Program	16.922	N/A	32,726	-
Total U.S. Department of Justice			**3,459,468**	**-**

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF YUBA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
U.S. Department of Transportation				
Passed Through State Department of Transportation:				
Highway Planning and Construction	20.205	693JJ32340444	$ 458,149	$ -
Highway Planning and Construction	20.205	BPMP-5916 (126)	21,849	-
Highway Planning and Construction	20.205	BRLO-5916 (092)	34,755	-
Highway Planning and Construction	20.205	BRLO-5916 (131)	99,118	-
Highway Planning and Construction	20.205	BRLS-5916 (104)	5,706,961	-
Highway Planning and Construction	20.205	HSIPSL-5916(148)	90,167	-
Highway Planning and Construction	20.205	STPL-5916 (135)	482,567	-
Highway Planning and Construction	20.205	STPL-5916(152)	93,472	-
Highway Planning and Construction	20.205	STPL-5916(153)	281,657	-
Subtotal Assistance Listing Number - 20.205			7,268,695	-
Passed Through CA Office of Traffic Safety:				
National Priority Safety Programs - Child Passenger Safety Program	20.616	OP25014	105,003	-
National Priority Safety Programs - Pedestrian and Bicycle Safety Program	20.616	PS25026	41,326	-
Subtotal Assistance Listing Number - 20.616			146,329	-
Total - Highway Safety Cluster			146,329	-
Total U.S. Department of Transportation			**7,415,024**	**-**
U.S. Department of Treasury				
Passed Through CA Department of Finance:				
COVID-19 ARPA (AMERICAN RESCUE PLAN ACT)	21.027	N/A	1,973,783	-
LATCF (Local Assistance and Tribal Consistency Fund)	21.032	N/A	287,964	-
Total U.S. Department of Treasury			**2,261,747**	**-**
U.S. Election Assistance Commission				
Passed Through CA Secretary of State:				
HAVA Polling Place Accessibility Training Program	90.404	23G26158	15,259	-
HAVA Improve Administration of Elections for Fed Offices	90.404	23G27158	100,000	-
Total U.S. Election Assistance Commission			**115,259**	**-**
U. S. Department of Health and Human Services				
Direct Programs:				
Child Support Enforcement	93.563	N/A	2,023,126	-
Passed Through State Department of Public Health:				
Public Health Emergency Preparedness	93.069	22-10700	203,803	-
Maternal and Child Health Federal Consolidated Programs - Title XIX	93.110	202458 MCAH	8,111	-
Tuberculosis	93.116	2458R-TA00	5,104	-
Immunization Cooperative Agreements- Immunization Grant	93.268	22-11090	660,495	-
COVID-19 Epidemiology and Laboratory Capacity Expansion	93.323	COVID-19ELC116	778,869	-
Maternal and Child Health Services Block Grant to the States - Title V	93.994	202458 MCAH	102,147	-
Passed Through State Department of Health Care Services:				
Children's Health Insurance Program	93.767	CCS-24-04	27,459	-
Medical Assistance Program - Adult Protective Services	93.778	N/A	346,296	-
Medical Assistance Program - Foster Care	93.778	HCPCFC 24-01	237,226	-
Medical Assistance Program - In-Home Supportive Service	93.778	N/A	712,607	-
Medical Assistance Program - Medi-Cal Administrative	93.778	N/A	8,428,974	-
Medical Assistance Program - Psychotropic Medication Monitoring and Oversight	93.778	CCS 25-02	13,234	-
Medical Assistance Program - Public Authority	93.778	N/A	466,379	-
Passed Through State Department of Public Health:				
California Children Services - Title XIX	93.778	CCS-24-04	167,414	
Subtotal Medicaid Cluster			10,372,130	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF YUBA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
U. S. Department of Health and Human Services (Continued)				
Passed Through State Department of Social Services:				
Promoting Safe and Stable Families	93.556	N/A	$ 81,074	$ -
Refugee Cash Assistance	93.566	N/A	42,172	-
Subtotal Assistance Listing Number - 93.556			123,246	-
Adoption Incentive Payments	93.603	N/A	2,819	-
Stephanie Tubbs Jones Child Welfare Services Program - IV-B	93.645	N/A	60,512	-
Social Services Block Grant - CWS Title XX Ledger Shift/Augment	93.667	N/A	243,976	-
Independent Living Program	93.674	N/A	65,130	-
Adult Protective Services-American Rescue Plan Act	93.747	N/A	4,393	-
Guardianship Assistance - KinGAP	93.090	N/A	4,951	-
Guardianship Assistance - FedGAP	93.090	N/A	17,218	-
Subtotal Assistance Listing Number - 93.090			22,169	-
Temporary Assistance for Needy Families - CalWORKs Assistance	93.558	N/A	11,834,457	-
Temporary Assistance for Needy Families - CalWORKs TANF	93.558	N/A	10,105,684	-
Temporary Assistance for Needy Families - Child Welfare Services TANF	93.558	N/A	347,184	-
Temporary Assistance for Needy Families - Emergency Assistance-Foster Care	93.558	N/A	774,323	-
Subtotal Assistance Listing Number - 93.558			23,061,648	
Adoption Assistance - IV-E Administration	93.659	N/A	59,280	-
Adoption Assistance - Independent & Case Management	93.659	N/A	291	-
Adoption Assistance	93.659	N/A	4,184,438	-
Subtotal Assistance Listing Number - 93.659			4,244,009	-
Foster Care Title IV-E - Child Welfare Services IV-E	93.658	N/A	2,175,782	-
Foster Care Title IV-E - Emergency Child Care Bridge (ECCB)	93.658	N/A	11,866	-
Foster Care Title IV-E - Foster Care	93.658	N/A	150,119	-
Foster Care Title IV-E - Foster Care Assistance	93.658	N/A	1,499,157	-
Foster Care Title IV-E - Probation IV-E & GHMV PT	93.658	N/A	148,137	-
Passed Through State Department of Health Care Services:				
Foster Care Title IV-E - Child Welfare Services Health Related	93.658	N/A	404,554	-
Subtotal Assistance Listing Number - 93.658			4,389,615	-
Passed Through State Department of Community Services and Development:				
Community Services Block Grant	93.569	24F-3053	144,883	-
Community Services Block Grant	93.569	24F-3053DF	26,000	-
Community Services Block Grant	93.569	25F-6053	131,145	-
Subtotal Assistance Listing Number - 93.569			302,028	-
Total U.S. Department of Health and Human Services			**46,700,789**	**-**
U.S. Department of Homeland Security				
Passed Through California Office of Emergency Services:				
Emergency Management Performance Grant (EMPG) 2022	97.042	N/A	6,214	-
Homeland Security Grant Program - 2022	97.067	N/A	11,300	
Homeland Security Grant Program - 2023	97.067	N/A	118,638	
Homeland Security Grant Program - 2024	97.067	N/A	1,994	-
Subtotal Assistance Listing Number - 97.067			131,932	-
Total U.S. Department of Homeland Security			**138,146**	**-**
Total Expenditures of Federal Awards			**$ 78,588,613**	**$ -**

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF YUBA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2025

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the 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), and presents the activity of all federal awards programs of the County of Yuba for the year ended June 30, 2025, except for federal awards received by the Yuba County Water Agency and the Yuba First Five Commission. Yuba County Water Agency and the Yuba First Five Commission engaged other auditors to perform an audit in accordance with the requirements of 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. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 ASSISTANCE LISTING NUMBERS

The program titles and Assistance Listing Numbers were obtained from the federal or passthrough grantor.

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.

NOTE 5 LOANS WITH CONTINUING COMPLIANCE REQUIREMENTS

Outstanding federally funded program loans, with a continuing compliance requirement, carried balances as of June 30, 2025, as follows:

Assistance Listing Number	Federal Program	Outstanding Loans June 30, 2025	Loans July 1, 2024	New Loans	Federal Awards Expended June 30, 2025
14.228	Community Development Block Grant/States Program	$ 10,934,001	$ 10,929,002	$ -	$ 10,929,002
14.228	Economic Development Initiative	180,035	185,035	-	185,035
14.239	Home Investment Partnership Program	2,442,532	2,442,532	-	2,442,532

NOTE 6 PASS-THROUGH ENTITIES' IDENTIFYING NUMBER

When federal awards were received from a pass-through entity, the Schedule shows, if available, the identifying number assigned by the pass-through entity. If no identifying number is displayed, it indicates that either the County has determined that the program is not assigned an identifying number, or the County was unable to obtain an identifying number from the pass-through entity.

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified

2. Internal control over financial reporting:

   - Material weakness(es) identified? __x__ yes _____ no
   - Significant deficiency(ies) identified? __x__ yes _____ none reported

3. Noncompliance material to financial statements noted? _____ yes __x__ no

Federal Awards

1. Internal control over major federal programs:

   - Material weakness(es) identified? _____ yes __x__ no
   - Significant deficiency(ies) identified? __x__ yes _____ none reported

2. Type of auditors' report issued on compliance for major federal programs: Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? __x__ yes _____ no

Identification of Major Federal Programs

Assistance Listing Number(s)	Name of Federal Program or Cluster
14.228	Community Development Block Grants
14.239	Home Investment Partnerships
16.710	COPS Technology and Equipment Program
20.205	Highway Planning and Construction Program
93.778	Medicaid Cluster

Dollar threshold used to distinguish between Type A and Type B programs: $ 2,357,658

Auditee qualified as low-risk auditee? _____ yes __x__ no

Section II – Financial Statement Findings

2025–001

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition: The County incorrectly reported its Juvenile Hall AB178 Facility Improvement funding in a custodial fund rather than a special revenue in prior years resulting is a restatement of $1.16 million to the Public Safety special revenue fund. The fund represents state funding allocated to the County for improving existing juvenile hall facilities.

Criteria: GASB Statement No, 84, *Fiduciary Activities*, requires fiduciary funds to be evaluated for proper accounting and reporting purposes.

Effect: Beginning fund balance in the Public Safety special revenue fund was understated by $1.16 million.

Cause: The County believed that the fund qualified as a custodial fund during its initial analysis of the funding source.

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend the County review all newly established funds to ensure appropriate accounting and reporting practices, in accordance with the guidance provided by GASB Statement No. 84, *Fiduciary Activities*.

Views of responsible officials and corrective actions: There is no disagreement with the finding from responsible officials. The County will implement additional review procedures over the classification of new and existing funds, including consultation of applicable GASB guidance, to ensure proper accounting and financial reporting. Management will also enhance its financial reporting review controls to prevent similar misclassifications in future periods.

Section II – Financial Statement Findings (Continued)

2025-002

Type of Finding: Significant Deficiency in Internal Control over Financial Reporting

Condition: Based on our audit procedures performed over the Schedule of Expenditures of Federal Awards (SEFA), we identified that the following adjustments made to the SEFA under audit:

- Expenditures of approximately $350 thousand related to the CDBG program were omitted from the SEFA
- An outstanding loan of approximately $990 thousand related to the CDBG program was incorrectly omitted from the prior SEFA and was included in the current year SEFA

Criteria: Internal controls should be established over the SEFA preparation process in which the preparation and review functions are segregated to ensure completeness and accuracy of the schedule.

Context: The adjustment represents approximately 1.7 percent of total federal expenditures reported on the SEFA.

Effect: The SEFA was misstated by an immaterial amount, and the lack of oversight could have potentially led to material misstatements related to the SEFA.

Cause: The County's formal review process of the SEFA did not detect and correct misstatements related to the CDBG program.

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend the County implement policies and procedures to the SEFA preparation process to ensure the SEFA is complete and is prepared and reviewed by separate individuals.

Views of responsible officials and corrective actions: Management agrees with the finding and has implemented procedures to ensure proper review of information on the SEFA.

Section III – Findings and Questions Costs – Major Federal Programs

2025-003

Federal Agency: U.S. Department of Housing and Urban Development

Federal Program Name: Community Development Block Grants (CDBG)

Assistance Listing Number: 14.228

Pass-Through Agency: State Department of Housing and Community Development

Type of Finding: Significant Deficiency in Internal Control Over Compliance, Other Matters

Compliance Requirement: Allowable Costs/Cost Principles

Criteria: Under the CDBG program requirements and HOME affordability/occupancy provisions, the County is required to ensure that assisted properties remain owner-occupied as a primary residence for the applicable affordability period. This includes maintaining documentation, such as certificates of occupancy or equivalent verification, to support ongoing compliance.

Condition: During testing of continued compliance requirements, we noted that the department did not obtain a certificate of occupancy to verify that the loan recipient continues to occupy the property as their primary residence.

Questioned Costs: None

Context: Out of 8 loan files tested, 1 loan did not include documentation verifying continued occupancy of the assisted property.

Cause: The condition appears to be due to insufficient procedures or oversight to ensure that required occupancy documentation is obtained and retained as part of ongoing monitoring activities.

Effect: Failure to verify and document continued occupancy may result in noncompliance with program requirements and could increase the risk of ineligible use of program funds. This may also lead to increased monitoring or potential repayment of funds.

Repeat Finding: No

Recommendation: CLA recommends that the County establish and implement procedures to ensure continued compliance with occupancy requirements, including:

- Obtaining and retaining certificates of occupancy or other appropriate documentation to verify primary residence status as part of the CDBG/HOME loan reconciliation workbook process.
- Implementing periodic monitoring procedures for loan recipients.
- Maintaining documentation in loan files to support compliance throughout the affordability period.

View of Responsible Officials: There is no disagreement with the audit finding.

COUNTY OF YUBA
SUPPLEMENTARY SCHEDULE OF THE DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT
STATEMENT OF REVENUES AND EXPENDITURES
(SEE INDEPENDENT AUDITORS' REPORT ON OTHER INFORMATION)

CSD Contract No. 24F-3053 (CSBG - $270,783)
For the Period January 1, 2024 through December 31, 2024

	January 1, 2024 through June 30, 2024	July 1, 2024 through December 31, 2024	Total Reported	Total Budget
REVENUE				
Grant Revenue	$ 159,546	$ 111,237	$ 270,783	$ 270,783
EXPENDITURES				
Administration:				
Subcontractor Services	16,149	16,344	32,493	32,493
Program Costs:				
Subcontractor Services	109,751	128,539	238,290	238,290
Total Expenditures	125,900	144,883	270,783	270,783
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	$ 33,646	$ (33,646)	$ -	$ -

COUNTY OF YUBA
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CSD Contract No. 24F-3053 Cares DF (CSBG - $26,000)
For the Period January 1, 2024 through December 31, 2024

	January 1, 2024 through June 30, 2024	July 1, 2024 through December 31, 2024	Total Reported	Total Budget
REVENUE				
Grant Revenue	$ -	$ 26,000	$ 26,000	$ 26,000
EXPENDITURES				
Administration:				
Subcontractor Services	-	1,866	1,866	-
Program Costs:				
Subcontractor Services	-	24,134	24,134	--
Total Expenditures	-	26,000	26,000	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	$ -	$ -	$ -	$ 26,000

COUNTY OF YUBA
SUPPLEMENTARY SCHEDULE OF THE DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT
STATEMENT OF REVENUES AND EXPENDITURES
(SEE INDEPENDENT AUDITORS' REPORT ON OTHER INFORMATION)

CSD Contract No. 25F-6053 (CSBG - $270,783)
For the Period July 1, 2024 through June 30, 2025

	January 1, 2024 through December 31, 2024	January 1, 2025 through June 30, 2025	Total Reported	Total Budget
REVENUE				
Grant Revenue	$ -	$ 164,605	$ 164,605	$ 270,783
EXPENDITURES				
Administration:				
Subcontractor Services	-	16,149	16,149	32,493
Program Costs:				
Subcontractor Services	-	114,996	114,996	238,290
Total Expenditures	-	131,145	131,145	270,783
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	$ -	$ 33,460	$ 33,460	$ -