FIRST 5 GLENN COUNTY

AUDIT REPORT

JUNE 30, 2017

San Diego

Los Angeles

San Francisco
Bay Area

christy white associates

A PROFESSIONAL ACCOUNTANCY CORPORATION

FIRST 5 GLENN COUNTY

WILLOWS, CALIFORNIA

JUNE 30, 2017

COMMISSION MEMBERSHIP

NAME	AREA OF REPRESENTATION	TERM EXPIRES
Dwight Foltz (Chair)	Glenn County Board of Supervisors	Pleasure
Charles Tracy	Superintendent of North District	2/11/2020
Melissa Stearns	Center for Healthy Communities – Director	2/11/2020
Bill Wathen	Health and Human Services Agency – Deputy Director of Social Services	2/11/2020
Jody Meza	Orland & Willows City Libraries – Director	2/3/2018
Heather Aulabaugh	Child and Families Services – Director	11/3/2019
Tami Ritter	Glenn County Family Court Services – Director	11/3/2018
Darcy Pollack	Primary Elementary – Principal	6/4/2019
Vacancy	*Community Member at Large*	*1/19/2019*

Alternative Commission

NAME	POSITION	TERM EXPIRES
Christine Zoppi	Health & Human Services - Director	11/3/2018

FINANCIAL SECTION

REQUIRED SUPPLEMENTARY INFORMATION

SUPPLEMENTARY INFORMATION

OTHER INDEPENDENT AUDITORS' REPORTS

SCHEDULE OF FINDINGS

FINANCIAL SECTION

christy white associates
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Licensed by the California State Board of Accountancy

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
First 5 Glenn County
Willows, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and general fund of the First 5 Glenn County, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the First 5 Glenn County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of First 5 Glenn County, as of June 30, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as schedules of proportionate share of net pension liability and schedules of Commission contributions for pensions be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the First 5 Glenn County's basic financial statements. The organization table and summary schedules listed in the table of contents are presented for purposes of additional analysis and are 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2017 on our consideration of First 5 Glenn County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering First 5 Glenn County's internal control over financial reporting and compliance.

Christy White Associates

San Diego, California
October 23, 2017

FIRST 5 GLENN COUNTY
STATEMENT OF NET POSITION
JUNE 30, 2017

	Governmental Activities
ASSETS	
Cash and investments	$ 302,658
Accounts receivable	51,444
Prepaid expenses	3,875
Total Assets	357,977
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	103,422
Total Deferred Outflows of Resources	103,422
LIABILITIES	
Accrued liabilities	8,725
Long-term liabilities, non-current portion	315,844
Total Liabilities	324,569
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	9,429
Total Deferred Inflows of Resources	9,429
NET POSITION	
Unrestricted	127,401
Total Net Position	$ 127,401

The accompanying notes are an integral part of these financial statements.

FIRST 5 GLENN COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

		Governmental Activities
Program Revenues		
Proposition 10 apportionment	$	267,107
Small county augmentation		128,898
SMIF Funds		217
Total Program Revenues		396,222
Program Expenses		
Instruction-related services		
Instructional supervision and administration		9,531
General administration		
All other general administration		292,521
Plant services		18,200
Ancillary services		202,539
Total Program Expenses		522,791
Net Program Revenue (Expenses)		(126,569)
General revenues		
Interest income		2,359
Other income		11,304
Total General Revenues		13,663
CHANGE IN NET POSITION		(112,906)
Net Position - Beginning		240,307
Net Position - Ending	$	127,401

The accompanying notes are an integral part of these financial statements.

FIRST 5 GLENN COUNTY
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2017

ASSETS		
Cash and investments	$	302,658
Accounts receivable		51,444
Prepaid expenditures		3,875
Total Assets	$	357,977
LIABILITIES		
Accrued liabilities	$	8,725
Total Liabilities		8,725
FUND BALANCES		
Assigned		349,252
Total Fund Balances		349,252
Total Liabilities and Fund Balances	$	357,977

The accompanying notes are an integral part of these financial statements.

FIRST 5 GLENN COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2017

Total Fund Balance - Governmental Funds			$ 349,252
Amounts reported for assets and liabilities for governmental activities in the statement of net position are different from amounts reported in governmental funds because:			
Long-term liabilities:			
In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:			
Compensated absences	$	2,019	
Net pension liability		313,825	(315,844)
Deferred outflows and inflows of resources relating to pensions:			
In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.			
Deferred outflows of resources related to pensions	$	103,422	
Deferred inflows of resources related to pensions		(9,429)	93,993
Total Net Position - Governmental Activities			$ 127,401

The accompanying notes are an integral part of these financial statements.

FIRST 5 GLENN COUNTY
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2017

REVENUES		
Proposition 10 apportionment	$	267,107
Small county augmentation		128,898
SMIF funds		217
Other local sources		13,663
Total Revenues		409,885
EXPENDITURES		
Current		
Instruction-related services		
Instructional supervision and administration		6,837
General administration		
All other general administration		286,234
Plant services		18,200
Ancillary services		194,725
Total Expenditures		505,996
Excess (Deficiency) of Revenues		
Over Expenditures		(96,111)
NET CHANGE IN FUND BALANCE		(96,111)
Fund Balance - Beginning		445,363
Fund Balance - Ending	$	349,252

The accompanying notes are an integral part of these financial statements.

FIRST 5 GLENN COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

Net Change in Fund Balances - Governmental Funds	$	(96,111)
Amounts reported for governmental activities in the statement of activities are different from amounts reported in governmental funds because:		
Pensions:		
In governmental funds, pension costs are recognized when employer contributions are made, in the government-wide statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and employer contributions was:		(16,795)
Change in Net Position of Governmental Activities	$	(112,906)

The accompanying notes are an integral part of these financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The First 5 Glenn County (Commission), originally known as the Glenn County Children and Families First Commission, was established on December 15, 1998 pursuant to Health and Safety Code Sec. 130140. The commission was established in accordance with the provisions of the California Children and Families First Act of 1998 and by Glenn County Ordinance #1106. The five to nine members of the Commission are appointed by the Glenn County Board of Supervisors.

The Commission is responsible for the creation and implementation of a comprehensive, collaborative, and integrated system of information and services to enhance early child development.

B. Component Units

Component units are legally separate organizations for which the Commission is financially accountable. Component units may also include organizations that are fiscally dependent on the Commission in that the Commission approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the Commission is not financially accountable but the nature and significance of the organization's relationship with the Commission is such that exclusion would cause the Commission's financial statements to be misleading or incomplete. The Commission has no such component units. In addition, the Commission is not aware of any entity that would be financially accountable for the Commission that would result in the Commission being considered a component unit of that entity.

C. Basis of Presentation

Government-Wide Statements. The statement of net position and the statement of activities display information about the primary government (the Commission). These statements include the financial activities of the overall government. Governmental activities generally are financed through taxes, intergovernmental revenue, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenue for the Commission's governmental activity. Direct expenses are those that are specifically associated with the Commission. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of the Commission. Revenues that are not classified as program revenues, including investment income, are presented as general revenues.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Fund Financial Statements. The governmental fund financial statements are reported using the current financial resources measurement focus. Under this method, revenues are recognized when measurable and available to finance expenditures of the current period. Proposition 10 taxes and investment income are accrued when their receipt occurs within sixty days after the end of the accounting period so as to be both measurable and available. All receivables are expected to be collected within the current year. Expenditures are generally recorded when a liability is incurred, as under accrual accounting.

Nonexchange transactions, in which the Commission gives (or receives) value without directly receiving (or giving) equal value in exchange, include Proposition 10 taxes and grants. Revenues from Proposition 10 taxes are recognized when all eligibility requirements are met which coincides with the State apportions Proposition 10 tax revenues to the Commission. Revenues from grants are recognized in the fiscal year in which all eligibility requirements have been satisfied.

General Fund: The General Fund is the main operating fund of the Commission. It accounts for all financial resources of the general government.

D. Basis of Accounting – Measurement Focus

Government-Wide Financial Statements
The government-wide financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Net Position equals assets and deferred outflows of resources minus liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. The net position should be reported as restricted when constraints placed on its use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. When both restricted and unrestricted net position is available, restricted resources are used only after the unrestricted resources are depleted.

E. Assets, Liabilities, Fund Balance and Net Position

Cash and Cash Equivalents
The Commission’s cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include cash with county treasury balances for purposes of the statement of cash flows. Cash held in the county treasury is recorded at cost, which approximates fair value.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Liabilities, Fund Balance and Net Position (continued)

Due from Other Agencies
These amounts represent receivables from other local governments. Management believes its receivables to be fully collectible, and accordingly, no allowance for doubtful accounts is required.

Compensated Absences
Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide financial statements. For governmental funds, the current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignations and retirements that occur prior to year-end that have not yet been paid with expendable available financial resource. These amounts are recorded in the General Fund.

Accumulated sick leave benefits are not recognized as liabilities of the Commission. The Commission's policy is to record sick leave as an operating expense in the period taken because such benefits do not vest, nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

Accrued Liabilities and Long-Term Obligations
All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds.

Pensions
For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit pension plan (the Plan) of and the California Public Employees' Retirement System (CalPERS) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Balance
Fund balance is divided into five classifications based primarily on the extent to which the Commission is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance classification reflects amounts that are not in spendable form. Examples include inventory, prepaid items, the long-term portion of loans receivable, and nonfinancial assets held for resale. This classification also reflects amounts that are in spendable form but that are legally or contractually required to remain intact, such as the principal of a permanent endowment.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Liabilities, Fund Balance and Net Position (continued)

Restricted - The restricted fund balance classification reflects amounts subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws or regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification reflects amounts subject to internal constraints self-imposed by formal action. The constraints giving rise to committed fund balance must be imposed no later than the end of the reporting period. The actual amounts may be determined subsequent to that date but prior to the issuance of the financial statements. In contrast to restricted fund balance, committed fund balance may be redirected by the government to other purposes as long as the original constraints are removed or modified in the same manner in which they were imposed, that is, by the same formal action.

Assigned - The assigned fund balance classification reflects amounts that the government *intends* to be used for specific purposes. Assignments may be established either by the Commission Membership or by a designee of the governing body, and are subject to neither the restricted nor committed levels of constraint. In contrast to the constraints giving rise to committed fund balance, constraints giving rise to assigned fund balance are not required to be imposed, modified, or removed by formal action of the Commission Membership. The action does not require the same level of formality and may be delegated to another body or official. Additionally, the assignment need not be made before the end of the reporting period, but rather may be made any time prior to the issuance of the financial statements.

Unassigned - In the General Fund, the unassigned fund balance classification reflects the residual balance that has not been assigned to other funds and that is not restricted, committed, or assigned to specific purposes. However, deficits that cannot be eliminated by reducing or eliminating amounts assigned to other purposes are reported as negative unassigned fund balance.

The Commission applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

F. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

G. Budgetary Data

Formal budgetary integration is employed as a management control device during the year. The budget is adopted on a basis consistent with generally accepted governmental accounting principles.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. New Accounting Pronouncements

GASB Statement No. 75 – In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* This standard's primary objective is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions. The Statement is effective for periods beginning after June 15, 2017. The Commission has not yet determined the impact on the financial statements.

GASB Statement No. 80 – In January 2016, GASB issued Statement No. 80, *Blending Requirements for Certain Component Units – an Amendment of GASB Statement No. 14.* This standard's primary objective is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. The Statement is effective for periods beginning after June 15, 2016. The Commission has implemented GASB Statement No. 80 for the year ended June 30, 2017.

GASB Statement No. 82 – In March 2016, GASB issued Statement No. 82, *Pension Issues – an Amendment of GASB Statements No. 67, No. 68, and No. 73.* This standard's primary objective is to address issues regarding the presentation of payroll-related measures in required supplementary information, the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The majority of this Statement is effective for periods beginning after June 15, 2016. The Commission has implemented GASB Statement No. 82 for the year ended June 30, 2017.

NOTE 2 – CASH AND INVESTMENTS

A. Summary of Cash and Investments

The Commission's cash and cash equivalent balance at June 30, 2017 consisted of cash in county treasury totaling $302,658.

B. Policies and Practices

The Commission maintains all of its cash and investments with the Glenn County Treasurer in an investment pool. On a quarterly basis the Treasurer allocates interest to participants based upon their average daily balances. Required disclosure information regarding categorization of investments and other deposit and investment risk disclosures can be found in the County's financial statements.

The County maintains written investment policies that address a wide variety of investment practices, including primary investment objectives, investment authority, allowable investment vehicles, investment maturity terms, eligible financial institutions, capital preservation, and cash flow management.
All cash deposits at the County conform to the California Government Code Section 53646 and are fully collateralized by governmental securities pledged for the purpose of Public Deposit Collateral.

NOTE 2 – CASH AND INVESTMENTS (continued)

C. General Authorizations

Except for investments by trustees of debt proceeds, the authority to invest Commission funds deposited with the county treasury is delegated to the County Treasurer and Tax Collector. Additional information about the investment policy of the County Treasurer and Tax Collector may be obtained from its website. The table below identifies the investment types permitted by California Government Code.

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U. S. Treasury Obligations	5 years	None	None
U. S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

D. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Commission manages its exposure to interest rate risk by investing in the County Treasury. The Commission maintains a pooled investment with the County Treasury with a book value of $302,658 which approximates fair value.

E. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The investments in the County Treasury are not required to be rated. As of June 30, 2017, the pooled investments in the County Treasury were rated not rated.

NOTE 2 – CASH AND INVESTMENTS (continued)

F. Custodial Credit Risk – Deposits

This is the risk that in the event of a bank failure, the Commission's deposits may not be returned to it. The Commission does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2017, the Commission's funds were held in the County Treasury and was not exposed to custodial credit risk.

G. Fair Value

The Commission categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, either directly or indirectly.

Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the Commission's own data. The Commission should adjust that data if reasonable available information indicates that other market participants would use different data or certain circumstances specific to the Commission are not available to other market participants.

Uncategorized - Investments in the Glenn County Treasury Investment Pool are not measured using the input levels above because the Commission’s transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at $1.00 net asset value per share.

The Commission’s fair value measurements at June 30, 2017 were as follows:

	Uncategorized
Investment in county treasury	$ 302,658
Total fair market value of investments	$ 302,658

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2017 consisted of the following:

State Government		
Proposition 10 apportionment	$	26,134
Proposition 10 administration and travel augmentation		21,712
SMIF funds		217
Local Government		
Other local sources		3,381
Total	$	51,444

NOTE 4 – ACCRUED LIABILITIES

Accrued liabilities at June 30, 2017 consisted of the following:

Vendors payable	$	7,715
Other liabilities		1,010
Total	$	8,725

NOTE 5 – LONG-TERM DEBT

A schedule of changes in long-term debt for the year ended June 30, 2017 consisted of the following:

	Balance July 01, 2016	Additions	Deductions	Balance June 30, 2017	Balance Due In One Year
Governmental Activities					
Compensated absences	$ 2,019	$ -	$ -	$ 2,019	$ -
Net pension liability	222,103	91,722	-	313,825	-
Total	$ 224,122	$ 91,722	$ -	$ 315,844	$ -

A. Compensated Absences

Total unpaid employee compensated absences as of June 30, 2017 amounted to $2,019. This amount is included as part of long-term liabilities in the government-wide financial statements.

B. Net Pension Liability

The Commission's beginning net pension liability was $222,103 and increased by $91,722 during the year ended June 30, 2017. The ending net pension liability at June 30, 2017 was $313,825. See Note 7 for additional information regarding the net pension liability.

NOTE 6 – FUND BALANCES

Fund balance at June 30, 2017 was assigned totaling $349,252.

The Commission is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures.

NOTE 7 – PENSION PLANS

Qualified employees are covered under multiple-employer contributory retirement plans maintained by agencies of the State of California. Classified employees are members of the California Public Employees' Retirement System (CalPERS). The Commission reported its proportionate share of the net pension liabilities, pension expense, deferred outflow of resources, and deferred inflow of resources for each of the above plans as follows:

	Net pension liability	Deferred outflows related to pensions	Deferred inflows related to pensions	Pension expense
PERS Pension	313,825	103,422	9,429	45,368
Total	$ 313,825	$ 103,422	$ 9,429	$ 45,368

California Public Employees' Retirement System (CalPERS)

Plan Description
The Commission contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS); a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Laws. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95811.

Benefits provided
The benefits for the defined benefit plan are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Members become fully vested in their retirement benefits earned to date after five years of credited service.

NOTE 7 – PENSION PLANS (continued)

California Public Employees' Retirement System (CalPERS) (continued)

Contributions

Active plan members who entered into the plan prior to January 1, 2013, are required to contribute 7.0% of their salary. The California Public Employees' Pension Reform Act (PEPRA) specifies that new members entering into the plan on or after January 1, 2013, shall pay the higher of fifty percent of normal costs or 6.0% of their salary. Additionally, for new members entering the plan on or after January 1, 2013, the employer is prohibited from paying any of the employee contribution to CalPERS unless the employer payment of the member's contribution is specified in an employment agreement or collective bargaining agreement that expires after January 1, 2013.

The Commission is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2017 was 13.888% of annual payroll. Contributions to the plan from the Commission were $28,573 for the year ended June 30, 2017.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2017, the Commission reported a liability of $313,825 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2015, and rolling forward the total pension liability to June 30, 2016. The Commission's proportion of the net pension liability was based on a projection of the Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2016, the Commission's proportion was 0.002 percent, which was an increase of 0.00008 percent from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the Commission recognized pension expense of $45,368. At June 30, 2017, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual earnings on plan investments	$ 48,695	$ -
Differences between expected and actual experience	13,497	-
Changes in assumptions	-	9,429
Changes in proportion and differences between Commission contributions and proportionate share of contributions	12,657	-
Commission contributions subsequent to the measurement date	28,573	-
	$ 103,422	$ 9,429

NOTE 7 – PENSION PLANS (continued)

California Public Employees' Retirement System (CalPERS) (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

The $28,573 reported as deferred outflows of resources related to pensions resulting from Commission contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2018	$ 18,040	$ 4,962
2019	17,403	4,467
2020	26,697	-
2021	12,709	-
	$ 74,849	$ 9,429

Actuarial assumptions

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2015, and rolling forward the total pension liability to June 30, 2016 using the following actuarial assumptions, applied to all periods included in the measurement:

Consumer Price Inflation	2.75%
Investment Yield*	7.65%
Wage Inflation	Varies by Entry Age and Service

* Net of investment expenses, but gross of administrative expenses.

CalPERS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are derived using CalPERS' membership data for all funds. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.

The actuarial assumptions used in the June 30, 2015, valuation were based on the results of an actuarial experience study for the period from 1997 to 2011.

NOTE 7 – PENSION PLANS (continued)

California Public Employees' Retirement System (CalPERS) (continued)

Actuarial assumptions (continued)

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, both short-term and long-term market return expectations as well as the expected pension fund cash flows were taken into account. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	Assumed Asset Allocation	Real Return Years 1-10*	Real Return Years 11+**
Global Equity	51%	5.25%	5.71%
Global Debt Securities	20%	0.99%	2.43%
Inflation Assets	6%	0.45%	3.36%
Private Equity	10%	6.83%	6.95%
Real Estate	10%	4.50%	5.13%
Infrastructure and Forestland	2%	4.50%	5.09%
Liquidity	1%	-0.55%	-1.05%
	100%		

* An expected inflation of 2.5% used for this period
** An expected inflation of 3.0% used for this period

Discount rate

The discount rate used to measure the total pension liability was 7.65 percent. A projection of the expected benefit payments and contributions was performed to determine if assets would run out. The test revealed the assets would not run out. Therefore the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Schools Pool. The results of the crossover testing for the Schools Pool are presented in a detailed report that can be obtained at CalPERS' website.

NOTE 7 – PENSION PLANS (continued)

California Public Employees' Retirement System (CalPERS) (continued)

Sensitivity of the Commission's proportionate share of the net pension liability to changes in the discount rate
The following presents the Commission's proportionate share of the net pension liability calculated using the discount rate of 7.65 percent, as well as what the Commission's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.65 percent) or 1-percentage-point higher (8.65 percent) than the current rate:

	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)
Commission's proportionate share of the net pension liability	$ 468,228	$ 313,825	$ 185,253

Pension plan fiduciary net position
Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report.

NOTE 8 – RELATED PARTY TRANSACTIONS

During the fiscal year ended June 30, 2017, the Commission paid the Glenn County Office of Education, a related party, for services based on 2016-17 expenditures with the approved rate of 11.58% in the following amounts:

Fiscal and human resources support $50,167.

NOTE 9 – PROGRAM EVALUATION

The Commission spent $17,037 on program evaluation during the fiscal year ended June 30, 2017.

NOTE 10 – PARTICIPATION IN JOINT POWERS AUTHORITIES

The Commission is exposed to various risks of loss related to loss or damage to property, general liability and workers' compensation. Insurance for the Commission is secured through its participation under a Joint Powers Agreement (JPA) with the Golden State Risk Management for property, general liability, and workers' compensation coverage. The relationship between the Commission and the JPA is such that the JPA is not a component unit of the Commission for financial reporting purposes.

The JPA has budgeting and financial reporting requirements independent of member units, and its financial statements are not presented in these financial statements. However, fund transactions between the JPA and the Commission are included in these statements. The audited financial statements are generally available directly from the entity.

NOTE 11 – SECTION 30131.4 OF THE CALIFORNIA TAX AND REVENUE CODE CERTIFICATION

The Commission has certified that the supplant requirement stated in Section 30131.4 of the California Tax and Revenue Code has been met.

NOTE 12 – CONTINGENT LIABILITIES

The Commission receives funding from the State of California Proposition 10, the Children and Families First Act, to fund programs that promote, support, and improve the early development of children from prenatal through age five. These programs must be in compliance with applicable laws and may be subject to financial and compliance audits by the State. The amount, if any, of expenditures which may be disallowed by the State cannot be determined at this time, although the County's management does not expect such amounts, if any, to be material.

REQUIRED SUPPLEMENTARY INFORMATION

FIRST 5 GLENN COUNTY
GENERAL FUND – BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts			Variances -
	Original	Final	Actual	Final to Actual
REVENUES				
Other state sources	$ 50,335	$ 50,335	$ 396,222	$ 345,887
Other local sources	11,500	11,500	13,663	2,163
Total Revenues	61,835	61,835	409,885	348,050
EXPENDITURES				
Classified salaries	232,027	232,027	217,118	14,909
Employee benefits	57,074	57,074	51,290	5,784
Books and supplies	34,716	34,716	61,423	(26,707)
Services and other operating expenditures	156,594	156,594	125,998	30,596
Other outgo				
Transfers of indirect costs	51,874	51,874	50,167	1,707
Total Expenditures	532,285	532,285	505,996	26,289
Excess (Deficiency) of Revenues				
Over Expenditures	(470,450)	(470,450)	(96,111)	374,339
NET CHANGE IN FUND BALANCE	(470,450)	(470,450)	(96,111)	374,339
Fund Balance - Beginning	523,868	523,868	445,363	(78,505)
Fund Balance - Ending	$ 53,418	$ 53,418	$ 349,252	$ 295,834

See accompanying notes to required supplementary information.

FIRST 5 GLENN COUNTY
SCHEDULE OF THE COMMISSION'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALPERS
FOR THE YEAR ENDED JUNE 30, 2017

	June 30, 2017	June 30, 2016	June 30, 2015
Commission's proportion of the net pension liability	0.002%	0.002%	0.002%
Commission's proportionate share of the net pension liability	$ 313,825	$ 222,103	$ 173,415
Commission's covered payroll	$ 206,043	$ 190,934	$ 141,611
Commission's proportionate share of the net pension liability as a percentage of its covered payroll	152.3%	116.3%	122.5%
Plan fiduciary net position as a percentage of the total pension liability	73.9%	79.4%	83.4%

See accompanying notes to required supplementary information.

FIRST 5 GLENN COUNTY
SCHEDULE OF COMMISSION CONTRIBUTIONS - CALPERS
FOR THE YEAR ENDED JUNE 30, 2017

	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution	$ 28,573	$ 22,584	$ 16,115
Contributions in relation to the contractually required contribution	(28,573)	(22,584)	(16,115)
Contribution deficiency (excess)	$ -	$ -	$ -
Commission's covered payroll	$ 206,043	$ 190,934	$ 141,611
Contributions as a percentage of covered payroll	13.87%	11.83%	11.38%

See accompanying notes to required supplementary information.

NOTE 1 – PURPOSE OF SCHEDULES

Budgetary Comparison Schedule

This schedule is required by GASB Statement No. 34 as required supplementary information (RSI) for the General Fund. The budgetary comparison schedule presents both (a) the original and (b) the final appropriated budgets for the reporting period as well as (c) actual inflows, outflows, and balances, stated on the Commission's budgetary basis. A separate column to report the variance between the final budget and actual amounts is also presented, although not required.

Schedule of the Commission's Proportionate Share of the Net Pension Liability

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 68 was applicable. The schedule presents the Commission's proportion (percentage) of the collective net pension liability, the Commission's proportionate share (amount) of the collective net pension liability, the Commission's covered payroll, the Commission's proportionate share (amount) of the collective net pension liability as a percentage of the employer's covered payroll, and the pension plan's fiduciary net position as a percentage of the total pension liability.

Schedule of Commission Contributions

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 68 was applicable. The schedule presents the Commission's statutorily or contractually required employer contribution, the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the difference between the statutorily or contractually required employer contribution and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the Commission's covered payroll, and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution as a percentage of the Commission's covered payroll.

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2017, the Commission incurred excess of expenditures over appropriations in the Budgetary Comparison Schedule by major object code as follows:

	Expenditures and Other Uses		
	Budget	Actual	Excess
General Fund			
Books and supplies	$ 34,716	$ 61,423	$ 26,707

SUPPLEMENTARY INFORMATION

FIRST 5 GLENN COUNTY
SCHEDULE OF EXPENDITURES BY FUND SOURCE OF CCFC FUNDS FOR FIRST 5 PROGRAMS AND ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

	REVENUE	EXPENDITURES
Little Learners	$ 246,186	$ 246,186
Augmentation-Admin	150,036	237,393
Total CCFC Funds	$ 396,222	$ 483,579

See accompanying note to supplementary information.

FIRST 5 GLENN COUNTY
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

The fund balance reported on the Annual Financial and Budget Unaudited Actuals reconciles to the audited financial statements.

See accompanying note to supplementary information.

NOTE 1 – PURPOSE OF SCHEDULES

Schedule of Expenditures by Fund Source of CCFC Funds for First 5 Programs and Activities

The accompanying Schedule of Expenditures by Fund Source of CCFC Funds for First 5 Programs and Activities shows a breakout of revenues and expenditures by School Readiness Program.

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Annual Financial and Budget Report Unaudited Actuals to the audited financial statements.

OTHER INDEPENDENT AUDITORS' REPORTS

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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*

Independent Auditors' Report

Board of Commissioners
First 5 Glenn County
Willows, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of First 5 Glenn County, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the First 5 Glenn County's basic financial statements, and have issued our report thereon dated October 23, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered First 5 Glenn County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of First 5 Glenn County's internal control. Accordingly, we do not express an opinion on the effectiveness of First 5 Glenn County's internal control.

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. 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.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether First 5 Glenn County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

This report is intended solely for the information and use of the County Board of Supervisors, First 5 Glenn County Commission, the State Commission, the State Controller's Office, federal agencies and pass-through entities and is not intended to be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Christy White Associates

San Diego, California
October 23, 2017

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REPORT ON STATE COMPLIANCE

Independent Auditors' Report

Board of Commissioners
First 5 Glenn County
Willows, California

Compliance

We have audited the basic financial statements of First 5 Glenn County (the Commission) as of and for the year ended June 30, 2017 and have issued our report thereon dated October 23, 2017. We conducted our audit in accordance with 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. We have also audited the Commission's compliance with the requirements specified in the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, issued by the State Controller's Office, applicable to the Commission's statutory requirements identified below for the year ended June 30, 2017.

Management's Responsibility

Compliance with the requirements referred to above is the responsibility of the Commission's management.

Auditor's Responsibility

Our responsibility is to express an opinion on First 5 Glenn County's compliance based on our audit.

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 State of California's Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act, issued by the State Controller's Office. Those standards and the State of California's Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the requirements referred to above that could have a direct and material effect on the statutory requirements listed below. An audit includes examining, on a test basis, evidence about First 5 Glenn County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance. However, our audit does not provide a legal determination of First 5 Glenn County's compliance with those requirements. In connection with the audit referred to above, we selected and tested transactions and records to determine First 5 Glenn County's compliance with the state laws and regulations applicable to the following items:

DESCRIPTION	PROCEDURES IN AUDIT GUIDE	PROCEDURES PERFORMED
Contracting and Procurement	6	Yes
Administrative Costs	3	Yes
Conflict of Interest	3	Yes
County Ordinance	4	Yes
Long - Range Financial Plans	2	Yes
Financial Condition of the Commission	1	Yes
Program Evaluation	3	Yes
Salaries and Benefits Policies	2	Yes

Opinion

In our opinion, First 5 Glenn County complied, in all material respects, with the compliance requirements referred to above that are applicable to the state programs listed above for the year ended June 30, 2017.

This report is intended solely for the information of the County Board of Supervisors, the County Commission, the State Commission, and the State Controller's Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Christy White Associates

San Diego, California
October 23, 2017

SCHEDULE OF FINDINGS

FIRST 5 GLENN COUNTY
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2017

There were no financial statement findings or findings of non-compliance in fiscal year ended June 30, 2017.

FIRST 5 GLENN COUNTY
SUMMARY OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2017

There were no prior findings in fiscal year ended June 30, 2016.