Single Audit Reports (OMB Circular A-133)

For the Fiscal Year Ended June 30, 2010

COUNTY OF PLACER, CALIFORNIA SINGLE AUDIT REPORTS (OMB CIRCULAR A-133) FOR THE FISCAL YEAR ENDED JUNE 30, 2010

TABLE OF CONTENTS

	Page(s)
Schedule of Expenditures of Federal Awards	1-5
Notes to the Schedule of Expenditures of Federal Awards	6-12
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	13-14
Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program, on Internal Control Over Compliance and Schedule of Expenditures of Federal Awards in Accordance	
with OMB Circular A-133	15-17
Schedule of Findings and Questioned Costs	18-30
Summary Schedule of Prior Audit Findings	31-32

Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2010

	Federal CFDA	Pass-Through Entity Identifying	Federal
Federal Grantor/Pass-Through Grantor/Program Title	Number	Number	Expenditures
U.S. Department of Agriculture			
Direct:			
Lake Tahoe Erosion Control Grant Program	10.690		\$ 524,263
Passed through State Department of Social Services:			
State Administrative Matching Grants for the Supplemental Nutrition			
Assistance Program (SNAP)	10.561		2,590,980
ARRA - State Administrative Matching Grants for the SNAP	10.561		48,417
Subtotal - Supplemental Nutrition Assistance Program			2,639,397
Passed through State Department of Education:			
National School Lunch Program	10.555		58,966
Passed through State Department of Public Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	07-65036	1,060,345
Passed through State Department of Forestry and Fire Protection			
Cooperative Forestry Assistance	10.664		41,701
Passed through subtotal			3,800,409
Total U.S. Department of Agriculture			4,324,672
U.S. Department of Commerce			
Passed through State Department of Fish and Game:			
Habitat Conservation	11.463		90,312
U.S. Department of Housing and Urban Development			
Passed through County of Sacramento:			
Housing Opportunities for Persons with AIDS	14.241		48,208
Passed through State Department of Housing and			
Community Development:			
Community Development Block Grants/Entitlement Grants	14.218	09-NSPI-6261	1,490,133
Community Development Block Grants/Entitlement Grants	14.218	09-STBG-6412	21,295
Community Development Block Grants/Entitlement Grants	14.218	07-EDOC-3767	56,576
Community Development Block Grants/Entitlement Grants	14.218	07-PTAE-3462	27,997
Subtotal - Community Development Block Grants/Entitlement Grants			1,596,001
Home Investment Partnerships Program	14.239	08-HOME-4713	706,994
Section 8 Housing Choice Vouchers	14.871	CA 149	2,047,709
Passed through State Department of Mental Health:			
Supportive Housing Program	14.235		295,207
Shelter Plus Care	14.238		196,709
Total U.S. Department of Housing and Urban Development			4,890,828

Schedule of Expenditures of Federal Awards (Continued) For the Fiscal Year Ended June 30, 2010

	Federal	Pass-Through	
	CFDA	Entity Identifying	Federal
Federal Grantor/Pass-Through Grantor/Program Title	Number	Number	Expenditures
U.S. Department of the Interior			
Direct:			
Secure Rural Schools and Community Self-Determination	15.234	HR2389	143,446
Fish and Wildlife Coordination Act	15.517		225 177
rish and Wilding Cooldination Act	13.317		225,177
Total U.S. Department of the Interior			368,623
U.S. Department of Justice			
Direct:			
Public Safety Partnership and Community Policing Grants	16.710	2005CKWX0065	42,633
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2009-SB-B9-0679	198,770
Passed through California Emergency Management Agency:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	DC09200310	259,824
Subtotal - Edward Byrne Memorial Justice Assistance Grant Program			458,594
Crime Victim Assistance:			
Victim Witness Program	16.575	VW09270310	87,531
Special Emphasis Program	16.575	SE09120310	108,672
Subtotal - Crime Victim Assistance			196,203
Violence Against Women Formula Grants	16.588	RV09010310	8,318
ARRA - State Victim Assistance Formula Grant Program	16.801	VS09010310	12,980
·			
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to			
Units of Local Government	16.804	ZO09010310	19,047
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to			
Units of Local Government	16.804	ZP09010310	8,139
Subtotal - Edward Byrne Memorial Justice Assistance Grant (JAG)			27,186
Program/Grants to Units of Local Government			
Passed through subtotal			244,687
Total U.S. Department of Justice			745,914
U.S. Department of Labor			
Provide through College Course Lab Training Assessment			
Passed through Golden Sierra Job Training Agency: Workforce Investment Act (WIA) Dislocated Workers	17.260	K074139-05	53,520
U.S. Department of Transportation			
Direct:			
Federal Transit - Capital Investment Grants (Section 5309)	20.500	CA-03-0652	65,929
Federal Transit - Formula Grants (Section 5307)	20.507	CA-90-Y711	606,590
Federal Transit - Formula Grants (Section 5307)	20.507	CA-90-Y845	500,000
Federal Transit - Formula Grants (Section 5307)	20.507	CA-90-X030	990,000
ARRA - Federal Transit - Formula Grants (Section 5307)	20.507	CA-96-X054	1,072,258
Subtotal - Federal Transit Cluster			3,234,777

Schedule of Expenditures of Federal Awards (Continued) For the Fiscal Year Ended June 30, 2010

		Federal CFDA	Pass-Through Entity Identifying	Federal
Paul S. Sarbanes Transit in the Parks	Federal Grantor/Pass-Through Grantor/Program Title	Number	Number	Expenditures
Paul S. Surbunes Transit in the Parks	U.S. Department of Transportation (continued)			
Direct subtoral Direct sub	Direct:			
Highway Planning and Construction	Paul S. Sarbanes Transit in the Parks	20.520	CA-20-X006	240,752
Highway Planning and Construction	Direct subtotal			3,475,529
ARRA - Highway Planning and Construction Subtoil - Highway Planning and Construction Formula Grants for Other than Urbanized Areas (Section 5311) Formula Grants for Other than Urbanized Areas (Section 5311) Pormula Grants for Other than Urbanized Areas (Section 5311) ARRA - Formula Grants for Other than Urbanized Areas (Section 5311) ARRA - Formula Grants for Other than Urbanized Areas (Section 5311) ARRA - Formula Grants for Other than Urbanized Areas (Section 5311) ARRA - Formula Grants for Other than Urbanized Areas (Section 5311) ARRA - Formula Grants for Other than Urbanized Areas (Section 5311) ARRA - Formula Grants for Other than Urbanized Areas (Section 5311) ARRA - Formula Grants for Other than Urbanized Areas (Section 5311) ARRA - Formula Grants for Other than Urbanized Areas (Section 5311) ARRA - Formula Grants for Other than Urbanized Areas (Section 5311) ARRA - Formula Grants for Other than Urbanized Areas (Section 5311) ARRA - Formula Grants for Other than Urbanized Areas (Section 5311) ARRA - Formula Grants for Other than Urbanized Areas (Section 5311) ARRA - Formula Grants for Other than Urbanized Areas (Section 5311) ARRA - Formula Grants for Other than Urbanized Areas (Section 5311) ARRA - Formula Grants for Other than Urbanized Areas (Section 5311) ARRA - Formula Grants for Other than Urbanized Areas (Section 5311) ARRA - Formula Grants for Other than Urbanized Areas (Section 5311) ARRA - Gapitalization Grants for Urbanized Areas (Section 5311) ARRA - Gapitalization Grants for Urbanized Areas (Section 5311) ARRA - Gapitalization Grants for Urbanized Areas (Section 5311) ARRA - Gapitalization Grants for Urbanized Areas (Section 5311) ARRA - Gapitalization Grants for Urbanized Areas (Section 5311) ARRA - Gapitalization Grants for Urbanized Areas (Section 5311) ARRA - Gapitalization Grants for Urbanized Areas (Section 5311) ARRA - Gapitalization Grants for Clean Water State Revolving Funds ARRA - Gapitalization Grants for Clean Water State Revolving Funds ARRA - Ga	Passed through State Department of Transportation:			
Subtotal - Highway Planning and Construction	Highway Planning and Construction	20.205		4,431,997
Formula Grants for Other than Urbanized Areas (Section 5311)	ARRA - Highway Planning and Construction	20.205		1,804,062
Formula Grants for Other than Urbanized Areas (Section 5311) 20.509 649160 48.2083 Formula Grants for Other than Urbanized Areas (Section 5311) 20.509 649871 93.674 ARRA - Formula Grants for Other than Urbanized Areas (Section 5311) 20.509 P392-09-802 54.726 ARRA - Formula Grants for Other than Urbanized Areas (Section 5311) 20.509 P392-09-802 54.726 Subtotal - Formula Grants for Other than Urbanized Areas S0.502 AL.0962 7.5648 Passed through State Office of Traffic Safety: 20.600 AL.0962 7.5648 Passed through State Office of Traffic Safety: 20.600 AL.0962 7.5648 Passed through State U.S. Department of Transportation 4 5.408 4.0962 7.5048 National Endowment for the Arts 2 5.000 AL.0962 2 7.000 Passed through State Library: 2 6.000 4 4.134 4 4.737 4 4.134 4 4.737 4 4.134 4 5.310 4 4.737 4 4.134 4 5.310 4 4.737	Subtotal - Highway Planning and Construction			6,236,059
Formula Grants for Other than Urbanized Areas (Section 5311)	Formula Grants for Other than Urbanized Areas (Section 5311)	20.509	648152	160,437
ARRA - Formula Grants for Other than Urbanized Areas (Section 5311) 20.509 649871 93.674 ARRA - Formula Grants for Other than Urbanized Areas (Section 5311) 20.509 P392.09-802 54.726 Subtotal - Formula Grants for Other than Urbanized Areas 539.280 Passed through State Office of Traffic Safety: 20.600 AL0962 73.648 State and Community Highway Safety 20.600 AL0962 73.648 Passed through subtotal - 6.848,987 Total U.S. Department of Transportation - - 6.848,987 Passed through Arts Midwest: - - 7,000 Passed through State Library: - 7,000 Grants to States 45.310 40-7370 4,134 U.S. Environmental Protection Agency - - 11.134 U.S. Environmental Protection Agency - - - 430,568 U.S. Department of Enercy - - - - - - - - - - - - - - - - -	Formula Grants for Other than Urbanized Areas (Section 5311)	20.509	649160	48,360
ARRA - Formula Grants for Other than Urbanized Areas 25.09 P392-09-802 5.47.26 Subtotal - Formula Grants for Other than Urbanized Areas 5.39.280 Passed through State Office of Traffic Safety: 20.600 AL.0962 73.648 Passed through subtotal 20.600 AL.0962 73.648 Passed through subtotal 5.848.987 10.324.516 National Endowment for the Arts Passed through Arts Midwest: Passed through State Library: Grants to States 45.024 7,000 Passed through State Library: Grants to States 45.310 40.7370 4.134 Lys. Environmental Protection Agency Passed through State Water Resources Control Board: ARRA - Capitalization Grants for Clean Water State Revolving Funds 66.458 C.06-6430-110 4.30,568 Lys. Department of Energy Direct: Regional Biomass Energy Programs 81.079 DE-FG36-08G08806 1.29,522 Lys. Department of Education Passed through State Department of	Formula Grants for Other than Urbanized Areas (Section 5311)	20.509	PR401-09-802	182,083
Passed through State Office of Traffic Safety: State and Community Highway Safety	ARRA - Formula Grants for Other than Urbanized Areas (Section 5311)	20.509	649871	93,674
Passed through State Office of Traffic Safety: 20.600 AL0962 73,648 Passed through subtotal 6.848,987 6.848,987 Total U.S. Department of Transportation 10.324,516 National Endowment for the Arts Variety of the Arts of Grants to Organizations and Individuals 45.024 - 7,000 Passed through State Library: Total National Endowment for the Arts 45.310 40-7370 4,134 Total National Endowment for the Arts 11,134 11,134 U.S. Environmental Protection Agency 2 11,134 Passed through State Water Resources Control Board: 3 C-06-6430-110 430,568 U.S. Department of Enercy 81,079 DE-FG36-08G088026 129,522 U.S. Department of Enercy 10,000 10,000 1218,444 Direct: 81,079 DE-FG36-08G088026 129,522 U.S. Department of Education 81,079 DE-FG36-08G088026 129,522 U.S. Department of Education 81,079 DE-FG36-08G088026 129,522 U.S. Department of Education - Grants to States 84,027 04-14468-1031-01 975,798 <td></td> <td>20.509</td> <td>P392-09-802</td> <td>54,726</td>		20.509	P392-09-802	54,726
State and Community Highway Safety 20.600 AL0962 73.648 Passed through subtotal 6,848.987 Total US. Department of Transportation 10.324.516 National Endowment for the Arts Passed through Arts Midwest:	Subtotal - Formula Grants for Other than Urbanized Areas			539,280
Passed through subtotal 6,848.987 National Endowment for the Arts Passed through Arts Midwest:	Passed through State Office of Traffic Safety:			
Total U.S. Department of Transportation 10,324,516 National Endowment for the Arts Passed through Arts Midwest:	State and Community Highway Safety	20.600	AL0962	73,648
National Endowment for the Arts Passed through Arts Midwest: Promotion of the Arts - Grants to Organizations and Individuals Passed through State Library: Grants to States 45.310 40-7370 4.134 Total National Endowment for the Arts 11,134 U.S. Environmental Protection Agency Passed through State Water Resources Control Board: ARRA - Capitalization Grants for Clean Water State Revolving Funds 66.458 C-06-6430-110 430.568 U.S. Department of Energy Direct: Regional Biomass Energy Programs 81.079 DE-FG36-08G088026 129,522 U.S. Department of Education Passed through State Department of Alcohol and Drug Programs: Special Education - Grants to States 84.027 04-14468-1031-01 975,798 Safe and Drug-Free Schools and Communities - State Grants	Passed through subtotal			6,848,987
Passed through Arts Midwest: Promotion of the Arts - Grants to Organizations and Individuals 45.024 - 7,000 Passed through State Library: Grants to States 45.310 40-7370 4,134 Total National Endowment for the Arts 111,134 U.S. Environmental Protection Agency Passed through State Water Resources Control Board: ARRA - Capitalization Grants for Clean Water State Revolving Funds 66.458 C-06-6430-110 430,568 U.S. Department of Energy Direct: Regional Biomass Energy Programs 81.079 DE-FG36-08GO88026 129,522 U.S. Department of Education Passed through State Department of Alcohol and Drug Programs: Special Education - Grants to States 84.027 04-14468-1031-01 975,798 Safe and Drug-Free Schools and Communities - State Grants 84.186 SDF 03-10 218,444	Total U.S. Department of Transportation			10,324,516
Promotion of the Arts - Grants to Organizations and Individuals 45.024 - 7.000 Passed through State Library: Grants to States	National Endowment for the Arts			
Passed through State Library: Grants to States 45.310 40-7370 4.134 Total National Endowment for the Arts 111,134 U.S. Environmental Protection Agency Passed through State Water Resources Control Board: ARRA - Capitalization Grants for Clean Water State Revolving Funds 66.458 C-06-6430-110 430,568 U.S. Department of Energy Direct: Regional Biomass Energy Programs 81.079 DE-FG36-08G088026 129,522 U.S. Department of Education Passed through State Department of Alcohol and Drug Programs: Special Education - Grants to States 84.027 04-14468-1031-01 975,798 Safe and Drug-Free Schools and Communities - State Grants 84.186 SDF 03-10 218,444	_	45 024		7,000
Grants to States 45.310 40-7370 4,134 Total National Endowment for the Arts 11,134 U.S. Environmental Protection Agency Passed through State Water Resources Control Board: ARRA - Capitalization Grants for Clean Water State Revolving Funds 66.458 C-06-6430-110 430,568 U.S. Department of Energy Direct: Regional Biomass Energy Programs 81.079 DE-FG36-08G088026 129,522 U.S. Department of Education Passed through State Department of Alcohol and Drug Programs: Special Education - Grants to States 84.027 04-14468-1031-01 975,798 Safe and Drug-Free Schools and Communities - State Grants 84.186 SDF 03-10 218,444	Promotion of the Arts - Grants to Organizations and Individuals	43.024		
Total National Endowment for the Arts U.S. Environmental Protection Agency Passed through State Water Resources Control Board: ARRA - Capitalization Grants for Clean Water State Revolving Funds 66.458 C-06-6430-110 430,568 U.S. Department of Energy Direct: Regional Biomass Energy Programs 81.079 DE-FG36-08GO88026 129,522 U.S. Department of Education Passed through State Department of Alcohol and Drug Programs: Special Education - Grants to States 84.027 04-14468-1031-01 975,798 Safe and Drug-Free Schools and Communities - State Grants 84.186 SDF 03-10 218,444				
U.S. Environmental Protection Agency Passed through State Water Resources Control Board: ARRA - Capitalization Grants for Clean Water State Revolving Funds 66.458 C-06-6430-110 430,568 U.S. Department of Energy Direct: Regional Biomass Energy Programs 81.079 DE-FG36-08GO88026 129,522 U.S. Department of Education Passed through State Department of Alcohol and Drug Programs: Special Education - Grants to States 84.027 04-14468-1031-01 975,798 Safe and Drug-Free Schools and Communities - State Grants 84.186 SDF 03-10 218,444	Grants to States	45.310	40-7370	4,134
Passed through State Water Resources Control Board: ARRA - Capitalization Grants for Clean Water State Revolving Funds 66.458 C-06-6430-110 430,568 U.S. Department of Energy Direct: Regional Biomass Energy Programs 81.079 DE-FG36-08G088026 129,522 U.S. Department of Education Passed through State Department of Alcohol and Drug Programs: Special Education - Grants to States 84.027 04-14468-1031-01 975,798 Safe and Drug-Free Schools and Communities - State Grants 84.186 SDF 03-10 218,444	Total National Endowment for the Arts			11,134
ARRA - Capitalization Grants for Clean Water State Revolving Funds 66.458 C-06-6430-110 430,568 U.S. Department of Energy Direct: Regional Biomass Energy Programs 81.079 DE-FG36-08GO88026 129,522 U.S. Department of Education Passed through State Department of Alcohol and Drug Programs: Special Education - Grants to States 84.027 04-14468-1031-01 975,798 Safe and Drug-Free Schools and Communities - State Grants 84.186 SDF 03-10 218,444	U.S. Environmental Protection Agency			
U.S. Department of Energy Direct: Regional Biomass Energy Programs 81.079 DE-FG36-08GO88026 129,522 U.S. Department of Education Passed through State Department of Alcohol and Drug Programs: Special Education - Grants to States 84.027 04-14468-1031-01 975,798 Safe and Drug-Free Schools and Communities - State Grants 84.186 SDF 03-10 218,444	Passed through State Water Resources Control Board:			
Direct: Regional Biomass Energy Programs 81.079 DE-FG36-08GO88026 129,522 U.S. Department of Education Passed through State Department of Alcohol and Drug Programs: Special Education - Grants to States 84.027 04-14468-1031-01 975,798 Safe and Drug-Free Schools and Communities - State Grants 84.186 SDF 03-10 218,444	ARRA - Capitalization Grants for Clean Water State Revolving Funds	66.458	C-06-6430-110	430,568
Regional Biomass Energy Programs 81.079 DE-FG36-08GO88026 129,522 U.S. Department of Education Passed through State Department of Alcohol and Drug Programs: Special Education - Grants to States 84.027 04-14468-1031-01 975,798 Safe and Drug-Free Schools and Communities - State Grants 84.186 SDF 03-10 218,444	U.S. Department of Energy			
U.S. Department of Education Passed through State Department of Alcohol and Drug Programs: Special Education - Grants to States 84.027 04-14468-1031-01 975,798 Safe and Drug-Free Schools and Communities - State Grants 84.186 SDF 03-10 218,444	Direct:			
Passed through State Department of Alcohol and Drug Programs: Special Education - Grants to States 84.027 04-14468-1031-01 975,798 Safe and Drug-Free Schools and Communities - State Grants 84.186 SDF 03-10 218,444	Regional Biomass Energy Programs	81.079	DE-FG36-08GO88026	129,522
Special Education - Grants to States84.02704-14468-1031-01975,798Safe and Drug-Free Schools and Communities - State Grants84.186SDF 03-10218,444	U.S. Department of Education			
Special Education - Grants to States84.02704-14468-1031-01975,798Safe and Drug-Free Schools and Communities - State Grants84.186SDF 03-10218,444	Passed through State Department of Alcohol and Drug Programs:			
	· · · · · · · · · · · · · · · · · · ·	84.027	04-14468-1031-01	975,798
Total U.S. Department of Education 1,194,242	Safe and Drug-Free Schools and Communities - State Grants	84.186	SDF 03-10	218,444
	Total U.S. Department of Education			1,194,242

Schedule of Expenditures of Federal Awards (Continued) For the Fiscal Year Ended June 30, 2010

	Federal CFDA	Pass-Through Entity Identifying	Federal
Federal Grantor/Pass-Through Grantor/Program Title	Number	Number	Expenditures
U.S. Department of Health and Human Services			
Direct:			
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104	5U79 SM57070-04/05	795,896
Drug-Free Communities Support Program Grant	93.276	IH79SP015810-01	53,461
Direct subtotal			849,357
Passed through California Family Health Council:			
Family Planning Services	93.217	3003-5320-71209-10	83,868
Passed through State Department of Social Services: Promoting Safe and Stable Families	93.556	_	216,037
Tronoung dute and Stable Families	75.550		210,037
Temporary Assistance for Needy Families (TANF) - Admin	93.558		10,647,473
Temporary Assistance for Needy Families (TANF) - Direct ARRA - Emergency Contingency Fund for TANF State Programs	93.558 93.714		5,771,031 394,142
Subtotal - TANF Cluster	73.714		16,812,646
Child Support Enforcement (Title IV-D) ARRA - Child Support Enforcement (Title IV-D)	93.563 93.563	 	3,606,029 682,222
Subtotal - Child Support Enforcement (Title IV-D)			4,288,251
Refugee and Entrant Assistance - State Administered Programs	93.566		634
Community-Based Child Abuse Prevention Grants	93.590		39,268
Child Welfare Services - State Grants	93.645		317,853
Foster Care (Title IV-E) - Administration	93.658		3,210,620
Foster Care (Title IV-E) - Direct	93.658		971,062
ARRA - Foster Care (Title IV-E) - Direct Subtotal - Foster Care (Title IV-E)	93.658		105,245 4,286,927
Subtotal - Poster Care (True 17-2)			4,200,721
Adoption Assistance - Administration	93.659		193,882
Adoption Assistance - Direct ARRA - Adoption Assistance	93.659 93.659		2,269,534 235,528
Subtotal - Adoption Assistance	93.039		2,698,944
Subtotal - Ruopton Assistance			2,070,744
Social Services Block Grant	93.667		945,523
Chafee Foster Care Independence Program	93.674		116,599
Passed through State Department of Community Services and Development:			
Community Services Block Grant	93.569	10F-4033	131,107
Community Services Block Grant	93.569	08F-4932	118,592
ARRA - Community Services Block Grant	93.710	09F-5133	61,475
Subtotal - Community Services Block Grant Cluster			311,174
Passed through State Department of Alcohol and			
Drug Programs:			
Block Grants for Prevention and Treatment of Substance Abuse	93.959		1,440,226

Schedule of Expenditures of Federal Awards (Continued) For the Fiscal Year Ended June 30, 2010

	Federal CFDA	Pass-Through Entity Identifying	Federal
Federal Grantor/Pass-Through Grantor/Program Title	Number	Number	Expenditures
U.S. Department of Health and Human Services (Continued)			
Passed through State Department of Aging:			
Special Programs for the Aging Title III, Part D, Disease			
Prevention and Health Promotion Services	93.043	40-23-31-09/10	27,165
Passed through State Department of Mental Health:			
Projects for Assistance in Transition from Homelessness	93.150		41,338
Block Grants for Community Mental Health Services	93.958		626,614
Passed through State Department of Health Care Services:			
Medical Assistance Program - Administration	93.778		6,302,226
Passed through State Department of Public Health:			
Childhood Lead Poisoning Prevention Projects - State and Local Childhood Lead			
Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197		11,811
Maternal and Child Health Service Block Grant to the States	93.994		539,298
Adolescent Family Life Demonstration Projects	93.995		160,816
Bioterrorism Training and Curriculum Development Program	93.996	EPO 08-31	1,460,407
Passed through the County of Sacramento:			
HIV Emergency Relief Project Grants	93.914	7275-07/12-706 A-4	148,639
Passed through subtotal			40,876,264
Total U.S. Department of Health and Human Services			41,725,621
U.S. Department of Homeland Security			
Passed through California Emergency Management Agency:			
Pre-Disaster Mitigation Competitive Program	97.017	2005-0011	62,369
Emergency Management Performance Grants	97.042	2009-0015	236,854
State Homeland Security Program (SHSP)	97.073	2009-0019	50,329
State Homeland Security Program (SHSP)	97.073	2008-006	305,784
State Homeland Security Program (SHSP) Subtotal	97.073	2007-008	174,766 530,879
Law Enforcement Terrorism Prevention Program (LETPP)	97.074	2007-008	109,851
Buffer Zone Protection Program	97.078	2008-BZ-T8-0008	87,569
Total U.S. Department of Homeland Security			1,027,522
Total Expenditures of Federal Awards			\$ 65,316,994

Notes to the Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2010

Note 1: Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards (SEFA) presents the activity of all federal award programs of the County of Placer (County). The County's reporting entity is defined in Note 1 to the County's basic financial statements. Expenditures of federal awards received directly from federal agencies, as well as expenditures of federal awards passed through other governmental agencies, are included in the SEFA. Expenditures funded by the American Recovery and Reinvestment Act of 2009 are denoted by the prefix "ARRA" in the federal program title.

Note 2: <u>Basis of Accounting</u>

The accompanying SEFA is presented using the modified accrual basis of accounting for program expenditures accounted for in governmental funds and the accrual basis of accounting for expenditures accounted for in proprietary funds, as described in Note 1 of the County's basic financial statements.

Note 3: Relationship to Financial Statements

Federal award expenditures reported in the accompanying SEFA agree, or can be reconciled, in all material respects, to amounts reported in the County's basic financial statements.

Note 4: Catalog of Federal Domestic Assistance (CFDA)

The CFDA numbers included in the accompanying SEFA were determined based on the program name, review of grant or contract information and the Office of Management and Budget's Catalog of Federal Domestic Assistance.

Note 5: Pass-Through Entities' Identifying Number

When federal awards are received from a pass-through entity, the SEFA indicates, if assigned, the identifying grant or contract number that has been assigned by the pass-through entity.

Notes to the Schedule of Expenditures of Federal Awards (Continued) For the Fiscal Year Ended June 30, 2010

Note 6: <u>California Emergency Management Agency (CalEMA) Grants</u>

The following represents expenditures for the CalEMA programs for the fiscal year ended June 30, 2010. The amount reported in the SEFA is determined by calculating the federal portion of the current year expenditures.

Expenditures Incurred

					cal Year Ended June 30, 2010				
				Federal		State	County		
Program		Total		Share		Share		Share	
DC09200310 - Anti-Drug									
<u>Enforcement</u>									
Personal services	\$	159,040	\$	159,040	\$	-	\$	-	
Operating expenses		100,784		100,784		-		-	
Totals	\$	259,824	\$	259,824	\$	-	\$	-	
SE09120310 - Special Emphasis									
Victim Assistance									
Personal services	\$	127,694	\$	105,308	\$	-	\$	22,386	
Operating expenses		5,575		3,364		-		2,211	
Totals	\$	133,269	\$	108,672	\$	-	\$	24,597	
VB08060310 - Child Abuser									
Vertical Prosecution									
Personal services	\$	155,642	\$	-	\$	155,642	\$	_	
VIVIO0270210 Visting With and									
<u>VW09270310 - Victim Witness</u> Assistance									
Personal services	\$	192,554	\$	87,531	\$	105,023	\$		
i ersonar services	ψ	172,334	Ψ	07,331	φ	103,023	φ		
VS09010310 - State Victim									
Witness Assistance									
Personal services	\$	17,520	\$	12,980	\$	-	\$	4,540	
									
RV09010310 - Violence Against									
Women Formula Grants									
Personal services	\$	12,395	\$	8,318	\$	-	\$	4,077	

Notes to the Schedule of Expenditures of Federal Awards (Continued) For the Fiscal Year Ended June 30, 2010

Note 6: California Emergency Management Agency (CalEMA) Grants (continued)

Expenditures Incurred For the Fiscal Year Ended June 30, 2010 Federal State County

	Tof the fiscal feat Effect Julie 30, 2010						
	F	ederal	State		County Share		
Total		Share	Sh	are			
\$ 3,571	\$	3,571	\$	-	\$	-	
15,476		15,476		-		_	
\$ 19,047	\$	19,047	\$		\$		
\$ 8,139	\$	8,139	\$	-	\$	-	
\$	\$ 3,571 15,476 \$ 19,047	* 3,571	Total Federal Share \$ 3,571 \$ 3,571 15,476 15,476 \$ 19,047 \$ 19,047	Total Federal Stare \$ 3,571 \$ 3,571 \$ 15,476 \$ 15,476 \$ 19,047 \$ 19,047	Federal Share State Share \$ 3,571 \$ 3,571 \$ - 15,476 \$ 19,047 \$ 19,047 \$ - 2	Federal State Course \$ 3,571 \$ 3,571 \$ - \$ \$ 15,476 15,476 - \$ \$ 19,047 \$ 19,047 \$ - \$	

Notes to the Schedule of Expenditures of Federal Awards (Continued) For the Fiscal Year Ended June 30, 2010

Note 7: Community Services Block Grants

The following represents revenues and expenditures for the CSD contract number 08F-4932 for the fiscal year ended June 30, 2010.

		Actual						
	Ju	ly 1, 2008	Jul	ly 1, 2009				
	1	through	1	through				Total
	Jun	e 30, 2009	Decen	nber 31, 2009		Totals		Budget
Revenue								
Grant Revenue	\$	204,751	\$	118,592	\$	323,343	\$	345,137
<u>Expenditures</u>								
Personnel Costs:								
Salaries and wages	\$	24,927	\$	13,638	\$	38,565	\$	31,542
Fringe benefits		11,536		7,535		19,071		14,650
Total Personnel Costs		36,463		21,173		57,636		46,192
Non-Personnel Costs:								
Operating expenses and supplies		9,094		2,807		11,901		16,365
Subcontractors		159,194		94,612		253,806		180,497
Total Non-Personnel Costs		168,288		97,419		265,707		196,862
Total Costs	\$	204,751	\$	118,592	\$	323,343	\$	243,054

Notes to the Schedule of Expenditures of Federal Awards (Continued) For the Fiscal Year Ended June 30, 2010

Note 7: Community Services Block Grants (continued)

The following represents revenues and expenditures for the CSD contract number 10F-4033 and 09F-5133, respectively, for the fiscal year ended June 30, 2010.

	Contract Number 10F-4033					Contract Number 09F-5133				
D	Actual January 1, 2010 through June 30, 2010 Budget		nnuary 1, 2010 through July 1, 2009 through			January 1, 2010 through				Budget
Revenue										
Grant Revenue	\$	131,107	\$	257,060	\$	61,475	\$	144,228		
<u>Expenditures</u>										
Personnel Costs:										
Salaries and wages	\$	16,429	\$	34,984	\$	24,387	\$	54,222		
Fringe benefits		9,285		17,993		8,795		37,641		
Total Personnel Costs		25,714		52,977		33,182		91,863		
Non-Personnel Costs:										
Operating expenses and supplies		1,578		11,701		3,361		2,500		
Subcontractors		103,815		192,382		24,932		49,865		
Total Non-Personnel Costs		105,393		204,083		28,293		52,365		
Total Costs	\$	131,107	\$	257,060	\$	61,475	\$	144,228		

Notes to the Schedule of Expenditures of Federal Awards (Continued) For the Fiscal Year Ended June 30, 2010

Note 8: <u>Subrecipients</u>

Of the federal expenditures presented in the SEFA, the County provided federal awards to the following subrecipients:

CFDA			
Number	 Amount		
14.241	Housing Opportunities for Persons with AIDS	\$ 48,208	
93.569	Community Services Block Grant	198,426	
93.710	ARRA – Community Services Block Grant	54,946	
93.714	ARRA – Emergency Contingency Fund for TANF		
	State Program	394,142	
93.914	HIV Emergency Relief Project Grants	148,639	
97.073	State Homeland Security Program	263,109	
97.074	Law Enforcement Terrorism Prevention Program	51,397	
97.078	Buffer Zone Protection Program	82,199	

Note 9: Placer County Family Connections

Placer County Family Connections is a foster family agency (FFA) program that is administered by the County Department of Health and Human Services. The State Department of Social Services has approved Placer County Family Connections as a foster family agency and their program number is 317000060. The Total Program Cost Display schedule (FCR 12FFA) is presented on the following page in the form prescribed by the State Department of Social Services. This schedule includes only those allowable expenditures attributable to the FFA program, which receives a TANF – Foster Care rate.

Notes to the Schedule of Expenditures of Federal Awards (Continued) For the Fiscal Year Ended June 30, 2010

Note 9: Placer County Family Connections (continued)

State of California - Health and Welfare Agency

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

TOTAL PROGRAM COST DISPLAY (FCR 12FFA) SUBMIT ONE FOR EACH PROGRAM

Number of months in cost reporting period twelve

CORPOR	RATE/LICENSEE NAME ounty Family Connections	CORPORATE N (IF DIFFEREN		CORPORATE NUMBER		Program Number 317000060	PROGRAM FISCAL YEAR 07/09 - 06/10
	(1)	(2)	(3)	(4) (5)		(6)	(7)
Line	Line Items of Cost	Total (Sum of Cols. 3 Thru 6)	Administration	Recruitment	Training	Social Work	Explanation
100a	Administration Payroll - Executive Director	\$ -	\$ -				
100b	Administration Payroll - Assistant Director	-	=				
100c	Administration Payroll - Administrator	5,850	5,850				
100d	Administration Payroll - All other	24,123	24,123				
101	Recruitment Payroll	18,969		\$ 18,969			
102	Training Payroll	42,341			\$ 42,341		
110	Administrative Contracts	44,461	22,811	6,698	14,951		
121	Telephone and Telegraph	2,625	895	263	586	\$ 881	
122	Postage and Freight	259	88	26	58	87	
123	Office Supplies	592	202	59	132	199	
132	Conferences, Meetings, In-Service Training	-	-	-	-	-	
133	Memberships, Subscriptions, Dues	1,491	508	149	333	501	
134	Printing, Publications	900	307	90	201	302	
135	Bonding, General Insurance	211	72	21	47	71	
137	Advertising	-	-	-	-	-	
138	Miscellaneous	8,940	3,046	895	1,997	3,002	Includes retiree health, service award, emp assistance costs, Temp svcs
200	Building and Equipment Payroll	_	_	_	_	_	
211	Building Rents and Leases	5,364	1,828	537	1,198	1,801	
214	Acquisition Mortgage Principal & Interest	-		-	-,-,-		
215	Property Appraisal Fees	_	_	_	_	_	
216	Property Taxes	-	_	_	_	_	
217	Building and Equipment Insurance	_	_	_	_	_	
221	Utilities	214	73	21	48	72	
222	Building Maintenance	677	231	68	151	227	
223	Building and Equipment Contracts	310	106	31	69	104	
224	Building and Equipment Supplies	-	-	-	-	-	
225	Equipment Leases	_	-	_	-	_	
226	Equipment Depreciation Expense	-	_	_	_	_	
227	Expendable Equipment	_	-	_	-	_	
228	Building and Equipment Miscellaneous	-	_	_	_	_	
241	Vehicle Leases	-	-	_	-	-	
242	Vehicle Depreciation	_	_	_	_	_	
243	Vehicle Operating Costs	1,027	350	103	229	345	
	- Land Control of the	, , ,			-		
350	Total Paid to Certified Family Homes	81,820	-	_	-	-	
332	Other Child-Related Costs, Not Provided by CFH's	2,217	-	-	-	-	
F				İ	Ì		
410	Social Worker Payroll of Contract	63,651	_			224,882	
440	Direct Care Contracts	05,051	-	 	-	224,002	
770	Direct Care Contracts	- 	<u> </u>	<u> </u>	-	_	
500	Total Expenses	\$ 306,041	\$ 60,490	\$ 27,930	\$ 62,341	\$ 232,474	



Sacramento • Walnut Creek • Oakland • Los Angeles/Century City • Newport Beach • San Diego

mgocpa.com

Board of Supervisors and Grand Jury County of Placer Auburn, California

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Placer, California (the County) as of and for the fiscal year ended June 30, 2010, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 28, 2010. Our report included an explanatory paragraph describing the implementation of a new governmental accounting standard. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over financial reporting, described as item 2010-01 in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency in internal control over financial reporting. A *significant deficiency* is a deficiency, or 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, Board of Supervisors, Audit Committee, Grand Jury, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Certified Public Accountants

Macion Sini ¿'O'lonnell LLP

Sacramento, California December 28, 2010



Sacramento • Walnut Creek • Oakland • Los Angeles/Century City • Newport Beach • San Diego

Board of Supervisors and Grand Jury County of Placer Auburn, California

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE AND SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS IN ACCORDANCE WITH OMB CIRCULAR A-133

Compliance

We have audited the compliance of the County of Placer, California (the County) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of the County's major federal programs for the fiscal year ended June 30, 2010. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2010-03, 2010-04, 2010-05, 2010-06, and 2010-07.

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 2010-02, 2010-03, 2010-04, 2010-05, 2010-06, and 2010-07 to be significant deficiencies. 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.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of and for the fiscal year ended June 30, 2010, and have issued our report thereon dated December 28, 2010. Our report contained an explanatory paragraph describing the County's implementation of a new governmental accounting standard. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, Board of Supervisors, Audit Committee, Grand Jury, others within the entity, and federal awarding agencies and pass-through entities and not intended to be and should not be used by anyone other than these specified parties.

Macion Sini ¿'O'lonnell LLP

Certified Public Accountants

Sacramento, California March 30, 2011, except for the Schedule of Expenditures of Federal Awards as to which the date is December 28, 2010

Schedule of Findings and Questioned Costs For the Fiscal Year Ended June 30, 2010

Section I – Summary of Auditor's Results

Financial Statements:	
Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
• Material weaknesses identified?	No
 Significant deficiencies identified that are not considered to be material weaknesses? 	Yes
Noncompliance material to financial statements noted?	No
Federal Awards:	
Internal control over major programs:	
• Material weaknesses identified?	No
 Significant deficiencies identified that are not considered to be material weaknesses? 	Yes
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	Yes
Identification of major programs:	
Program Title	CFDA Number
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP) Section 8 Housing Choice Vouchers Highway Planning and Construction Federal Transit Cluster: Federal Transit – Capital Investment Grants Federal Transit – Formula Grants (Urbanized Area Formula Grant)	10.561 14.871 20.205 20.500 20.507
1 Cucrai Transit – Porniula Oranis (Orbanizcu Arca Porniula Orani)	20.307

Schedule of Findings and Questioned Costs (Continued) For the Fiscal Year Ended June 30, 2010

Section I – Summary of Auditor's Results (continued)

Identification of major programs (continued):

Program Title	CFDA Number
Capitalization Grants for Clean Water State	
Revolving Funds	66.458
Temporary Assistance for Needy Families Cluster:	
Temporary Assistance for Needy Families (TANF)	93.558
ARRA – Emergency Contingency Fund for TANF State Program	93.714
Child Support Enforcement	93.563
Community Services Block Grant Cluster:	
Community Services Block Grant	93.569
ARRA – Community Services Block Grant	93.710
Foster Care (Title IV-E)	93.658
Dollar threshold used to distinguish between	
Type A and Type B programs:	\$1,959,510
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

Item #2010-01 – Capital Assets: Construction in Progress

CRITERIA

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.

CONDITION

We reported a similar finding for FY 2008-09 in that the County did not properly identify and transfer the costs of capital projects from construction in progress (CIP) to a depreciable asset at the time of the projects completion or when the asset was effectively placed in service. In addition, the County prematurely transferred CIP project costs accounted for in governmental activities to business-type activities prior to completion of the project, and commenced depreciation on the assets prior to the assets being completed and placed into service.

Schedule of Findings and Questioned Costs (Continued) For the Fiscal Year Ended June 30, 2010

Section II – Financial Statement Findings (continued)

CAUSE

For financial reporting purposes, the County currently disseminates construction in progress worksheets to the various County departments responsible for project management and oversight, for identifying complete projects. The worksheets identify cumulative capitalized project expenditures, current year expenditures, capitalized CIP costs at the end of the fiscal year, and an indication of the projects status. Although the County has established a process for determining completed capital projects and tracking project costs for financial reporting purposes by preparing and utilizing a supporting capital projects schedule, due to the lack of a formalized review and monitoring process, the County did not properly identify and transfer completed projects to a depreciable asset during the year ended June 30, 2010. Also, due to miscommunication of completed projects, the County also prematurely transferred CIP projects to depreciable asset classes prior to the assets completion and being placed into service.

EFFECT

As a result of the County not transferring completed projects to a depreciable asset on a timely basis, when the asset was placed in service, and prematurely transferring CIP projects to depreciable asset classes, the County was not properly presenting and classifying its capital assets and depreciation expense was not being properly calculated.

RECOMMENDATION

We recommend that existing procedures be strengthened to ensure that the County's detail capital projects schedule is reviewed annually by the respective project managers, to identify specific projects that were completed so capitalized construction in progress costs can be transferred and recorded as a depreciable asset. Construction in progress costs should be transferred to a depreciable asset when the project is complete and has been placed in service. Furthermore, during the County's financial reporting process, responsible County personnel should review and approve the supporting capital projects schedule to ensure that completed projects have been transferred and properly recorded as a depreciable asset.

MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN

The County agrees with the finding and the recommendation. The Auditor-Controller's office will be meeting more regularly with our CIP capital project accountants to ensure CIP is properly presented and classified within the financial statements.

Schedule of Findings and Questioned Costs (Continued) For the Fiscal Year Ended June 30, 2010

Section III- Federal Awards Findings and Questioned Costs

Reference Number: 2010-02 Federal Catalog Number: 20.507

Federal Program Title: Federal Transit – Formula Grants

Award Number: CA-90-Y845

Calendar Year Awarded: 2009

Category of Finding: Allowable Costs

Federal Agency: U.S. Department of Transportation

CRITERIA

U.S. OFFICE OF MANAGEMENT AND BUDGET CIRCULAR A-133, AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS (OMB CIRCULAR A-133), Subpart C – Auditees, Section .300 – Auditee Responsibilities

(b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

TITLE 49—Transportation, PART 18—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE, Subpart C—Post-Award Requirements, Financial Administration, Section 18.20—Standards for Financial management systems

- (b)(2) Accounting records. Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income.
- (b)(6) Source documentation. Accounting records must be supported by such source documentation as cancelled checks, paid bills, payrolls, time and attendance records, contract and subgrant award documents, etc.

CONDITION

The County receives funding from the Federal Transit Administration (FTA) for transit construction projects, vehicle purchases, preventive maintenance on vehicles and for ADA operations. During the fiscal year, County transit vehicles have scheduled maintenance services or routine repairs. The County utilizes its Fleet Services division to perform vehicle maintenance and repairs. Prior to service being performed, either the Transit or the Fleet Services division will prepare a defect report identifying the specific services being performed. Once the service is performed, a work order is completed, which should include a reference to the related defect report.

During our testing of costs charged to the Federal Transit program for preventive maintenance and/or repairs, we noted that 6 out of 40 work orders examined did not have a defect report for us review, that was identified on the work order. We also noted that of the 40 work orders tested, there were 4 defect reports could not be located, which initiates and authorizes the maintenance or repair work related to the transit vehicles. Based upon inquiry with personnel in the Department of Public Works responsible for administration of the program, part of the County's process and controls associated with preventive maintenance and repair charges is the completion of both a defect report and work order.

Schedule of Findings and Questioned Costs (Continued) For the Fiscal Year Ended June 30, 2010

Section III- Federal Awards Findings and Questioned Costs (continued)

OUESTIONED COSTS

There are no questioned costs.

RECOMMENDATION

The County should strengthen its current practices with respect to maintaining defect reports with the associated work orders, as the documentary evidence for the authorization and performance of preventive maintenance and repair services for the County's transit vehicles. Also, work orders should include references to the related defect report which initiates the maintenance or repair services. Furthermore, consideration should be given for scanning both defect reports and work orders into the County's network as a file management system, as well as for record retention, which could mitigate and reduce the risk of misfiling both defect reports and work orders.

MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN

The County Department of Public Works (DPW) concurs with the recommendation of strengthening current practices with respect to maintaining defect reports with the associated work orders. A defect report is prepared and submitted for every repair. The defect report number is posted in the comments section of the work order to enable the work order to be matched with the associated defect report. We believe that adequate record control, management and retention can be accomplished without scanning the defect reports. During the upcoming year, DPW is considering implementing an electronic defect reporting system that may change our procedures.

Reference Number: 2010-03 Federal Catalog Number: 93.558

Federal Program Title: Temporary Assistance for Needs Families (TANF)

Award Number: None Calendar Year Awarded: 2009

Category of Finding: Special Tests and Provisions

Federal Agency: U.S. Department of Health and Human Services

Pass Through Entity: State Department of Social Services

CRITERIA

Title 45 – Public Welfare; CHAPTER II – OFFICE OF FAMILY ASSISTANCE (ASSISTANCE PROGRAMS), ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES; PART 205 – GENERAL ADMINISTRATION – PUBLIC ASSISTANCE PROGRAMS; SECTION 205.55 REQUIREMENTS FOR REQUESTING AND FURNISHING ELIGIBILITY AND INCOME INFORMATION

A State plan under title I, IV-A, X, XIV, or XVI (AABD) of the Social Security Act must provide that:

- (a) Except as provided in paragraph (b), the State agency will request through the IEVS:
 - (1) Wage information from the SWICA for all applicants at the first opportunity following receipt of the application and for all recipients on a quarterly basis.

Schedule of Findings and Questioned Costs (Continued) For the Fiscal Year Ended June 30, 2010

Section III- Federal Awards Findings and Questioned Costs (continued)

- (2) Unemployment compensation information from the agency administering the State's unemployment compensation program under section 3304 of the Internal Revenue Code of 1954 and section 303 of the Act as follows:
 - (i) For applicants at the first opportunity following receipt of the application and in each of the first three months in which the individual is receiving aid, unless the individual is found to be receiving unemployment compensation, in which case the information will be requested until benefits are exhausted; and
 - (ii) In each of the first three months following any recipient-reported loss of employment, unless the individual is found to be receiving unemployment compensation, in which case the information will be requested until the benefits are exhausted.
- (3) All available information maintained by the Social Security Administration for all applicants at the first opportunity following receipt of the application in the manner set forth by the Commissioner of Social Security. The State agency will also request such information for all recipients as of the effective date of this provision for whom such information has not previously been requested.
- (4) Unearned income information from the Internal Revenue Service available under section 6103 (l)(7)(B) of the Internal Revenue Code of 1954, for all applicants at the first opportunity following receipt of the application for all recipients on a yearly basis. The request shall be made at the time and in the manner set forth by the Commissioner of Internal Revenue.
- (5) As necessary, any income or other information affecting eligibility available from agencies in the State or other States administering:
 - (i) An AFDC program (in another State) under title IV-A of the Social Security Act;
 - (ii) A Medicaid program under title XIX of the Social Security Act;
 - (iii) An unemployment compensation program (in another State) under section 3304 of the Internal Revenue Code of 1954;
 - (iv) A Food Stamp program under the Food Stamp Act of 1977, as amended:
 - (v) Any State program administered under plan approved under title I, X, XIV, or XVI (AABD) of the Social Security Act; and
 - (vi) A SWICA (in another State).
- (b) (1) With respect to individuals who cannot furnish an SSN at application, information specified in paragraph (a) will be requested at the first opportunity provided by each source after the State agency is provided with the SSN.
 - (2) For the purposes of this section, applicants and recipients shall also include any other individuals whose income or resources are considered in determining the amount of assistance, if the State agency has obtained the SSN of such individuals.
- (c) The State agency must furnish, when requested, income, eligibility and benefit information to:
 - (1) Agencies in the State or other States administering the programs cited in paragraph (a)(5) of this section, in accordance with specific agreements as described in §205.58;

Schedule of Findings and Questioned Costs (Continued) For the Fiscal Year Ended June 30, 2010

Section III- Federal Awards Findings and Questioned Costs (continued)

- (2) The agency in the State or other States administering a program under title IV-D of the Social Security Act; and
- (3) The Social Security Administration for purposes of establishing or verifying eligibility or benefit amounts under title II and XVI (SSI) of the Social Security Act.
- (d) The Secretary may, based upon application from a State, permit a State to obtain and use income and eligibility information from an alternate source or sources in order to meet any requirement of paragraph (a) of this section. The State agency must demonstrate to the Secretary that the alternate source or sources is as timely, complete and useful for verifying eligibility and benefit amounts. The Secretary will consult with the Secretary of Agriculture and the Secretary of Labor prior to approval of a request. The State must continue to meet the requirements of this section unless the Secretary has approved the request.

CONDITION

In conjunction with our testing over the eligibility compliance requirement, we noted several cases in which there was no documentary evidence that the County had requested the applicants Income Eligibility Verification System (IEVS) report during the participants' annual eligibility redetermination. For the 60 participant case files tested, we noted 14 cases whereby documentation did not exist to substantiate whether the County utilized the IEVS for determining the participants' eligibility. Based upon inquiry, we noted that County caseworkers are required to electronically sign off within the CalWIN system indicating review of the IEVS reports. During our testing of the 60 participant case files, we noted 29 instances where the IEVS report was not electronically signed off by the caseworker. However, we noted no instances of noncompliance with respect to participants being ineligible.

In the absence of utilizing the IEVS report during the elgibility determination process, the County risks that eligible participants receiving benefits might otherwise be ineligible.

QUESTIONED COSTS

There are no questioned costs.

RECOMMENDATION

We recommend the County establish controls to ensure that caseworkers are utilizing the IEVS when determining participants' eligibility and are following County policies regarding the electronic sign off within the CalWIN system. Monitoring procedures should be implemented to determine whether such controls are operating effectively to ensure ongoing compliance with the aforementioned compliance requirement for utilizing the IEVS.

MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN

Placer County Human Services disputes this finding. While the documentation may not have been in the file or the electronic sign-off performed, it cannot be assumed that staff did not review IEVS information on the system prior to making their eligibility determination. According to the audit, all 60 of the cases reviewed were eligible for benefits. This finding is more salient to the point that staff performed their due diligence in ensuring only eligible recipients were granted benefits.

Schedule of Findings and Questioned Costs (Continued) For the Fiscal Year Ended June 30, 2010

Section III- Federal Awards Findings and Questioned Costs (continued)

Placer County Human Services does commit to the following action to improve the presence of the documentation in CalWIN.

- 1) Re-Issue CalWORKs and Food Stamp training documents to all staff emphasizing they are required to:
 - a. Generate Applicant IEVS reports at renewal
 - b. Review IEVS information received through CalWIN
 - c. Follow up and sign off upon completion of review
- 2) Provide follow up training on procedure for Applicant IEVS requests at annual redeterminations at all scheduled staff unit meetings over the next 60 days.
- 3) Require all supervisors perform IEVS-targeted case reviews on a monthly basis. Cases targeted will include those with a pending annual redetermination.
- 4) Generate a monthly report from the CalWIN system that identifies completed renewals and the rate of electronic sign off. This report will be forwarded to supervisors for review with their staff with the intent of ensuring compliance with IEVS requirements.

Reference Number: 2010-04 Federal Catalog Number: 93.714

Federal Program Title: ARRA - Emergency Contingency Fund for TANF State Program

Federal Award Number None Calendar Year Awarded: 2009

Category of Finding: Special Tests and Provisions

Federal Agency: U.S. Department of Health and Human Services

Pass Through Entity: State Department of Social Services

CRITERIA

TITLE 2 – GRANTS AND AGREEMENTS, CHAPTER I – OFFICE OF MANAGEMENT AND BUDGET GOVERNMENTWIDE GUIDANCE FOR GRANTS AND AGREEMENTS, PART 176 – AWARD TERMS FOR ASSISTANCE AGREEMENTS THAT INCLUDE FUNDS UNDER THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009, Subpart D – Single Audit Information for Recipients of Recovery Act Funds

Sec. 176.210 Award term--Recovery Act transactions listed in Schedule of Expenditures of Federal Awards and Recipient Responsibilities for Informing Subrecipients.

(c) Recipients agree to separately identify to each subrecipient, and document at the time of subaward and at the time of disbursement of funds, the Federal award number, CFDA number, and amount of Recovery Act funds. When a recipient awards Recovery Act funds for an existing program, the information furnished to subrecipients shall distinguish the subawards of incremental Recovery Act funds from regular subawards under the existing program.

Schedule of Findings and Questioned Costs (Continued) For the Fiscal Year Ended June 30, 2010

Section III- Federal Awards Findings and Questioned Costs (continued)

CONDITION

The County entered into a subgrantee agreement and provided funds to the Golden Sierra Job Training Agency for operating a subsidized employment program. For the year ended June 30, 2010, the County provided \$394,142 to the Golden Sierra Job Training Agency, which is the program's only subrecipient. During our testing of the subrecipient monitoring compliance requirement, including inquiry with the programs fiscal management, we noted that the County did not identify to the Golden Sierra Job Training Agency, a subrecipient, and did not document at the time of the subaward, the program's CFDA and Federal award number. Also, at the time of disbursement of Recovery Act funds, the County was not informing the subrecipient of the Federal award number and CFDA number.

By not properly informing its subrecipients of the Federal award number and CFDA number, there is a risk that the subrecipient may not identify and properly report Recovery Act funds in accordance with 2 CFR, Sec. 176.210 requirements.

OUESTIONED COSTS

There are no questioned costs.

RECOMMENDATION

We recommend the County revise its existing procedures and establish communication protocols with the subrecipient to ensure that at the time of disbursenment of Recovery Act funds, the County is informing the Golden Sierra Job Training Agency of the Federal award number and CFDA number.

MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN

Effective March 20111, existing department-wide procedures have been revised to include the Federal award number and CFDA number.

Reference Number: 2010-05 Federal Catalog Number: 93.563

Federal Program Title: Child Support Enforcement (Title IV-D) and

ARRA – Child Support Enforcement (Title IV-D)

Federal Award Number None Calendar Year Awarded: 2009

Category of Finding: Special Tests and Provisions

Federal Agency: U.S. Department of Health and Human Services Administering Agency: State Department of Child Support Services

CRITERIA

TITLE 45 – Public Welfare; Subtitle B – REGULATIONS RELATING TO PUBLIC WELFARE CHAPTER III – OFFICE OF CHILD SUPPORT ENFORCEMENT (CHILD SUPPORT ENFORCEMENT PROGRAM), ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES; PART 303 – STANDARDS FOR PROGRAM OPERATIONS; SECTION 303.7 PROVISION OF SERVICES IN INTERSTATE IV-D CASES

- (b) Initiating State IV-D agency responsibilities. The IV-D agency must:
 - (1) Use its long arm statute to establish paternity, when appropriate.

Schedule of Findings and Questioned Costs (Continued) For the Fiscal Year Ended June 30, 2010

Section III- Federal Awards Findings and Questioned Costs (continued)

- (2) Except as provided in paragraph (b)(1) of this section, within 20 calendar days of determining that the noncustodial parent is in another State, and, if appropriate, receipt of any necessary information needed to process the case, refer any interstate IV-D case to the responding State's interstate central registry for action, including requests for location, document verification, administrative reviews in Federal income tax refund offset cases, income withholding, and State income tax refund offset in IV-D cases.
- (6) Send a request for review of a child support order to another State within 20 calendar days of determining that a request for review of the order should be sent to the other State and receipt of information from the requestor necessary to conduct the review in accordance with Section 303.8 of this part.

CONDITION

During the FY 2009/10, the County had 8 interstate cases, where it acted as the initiating state. Out of the 8 cases examined, we noted 2 cases in which the County did not provide to the responding State all of the necessary case documents within the 20 calendar day time frame.

Based upon our discussions with program management, it appears that the 2 cases were simply an oversight, and not indicative of a more pervasive internal control issue. By not providing the responding State with the necessary case documents within the prescribed time frame, the collection of child support payments could be delayed.

QUESTIONED COSTS

There are no questioned costs.

RECOMMENDATION

We recommend the County consider establishing a checklist or some other means for monitoring and managing interstate cases to ensure compliance with the 20 calendar day requirement when the County is the initiating state agency.

MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN

A compliance list has been provided to each Case Manager (Child Support Specialist). Additionally, training was conducted which focused on the area(s) of deficiency.

Schedule of Findings and Questioned Costs (Continued) For the Fiscal Year Ended June 30, 2010

Section III- Federal Awards Findings and Questioned Costs (continued)

Reference Number: 2010-06 Federal Catalog Number: 93.569

Federal Program Title: Community Service Block Grant

Award Number: 10F-4033 Calendar Year Awarded: 2010

Category of Finding: Subrecipient Monitoring

Federal Agency: U.S. Department of Health and Human Services

Pass Through Entity: State Department of Community Services and Development

CRITERIA

OMB CIRCULAR A-133, AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS; SUBPART D – FEDERAL AGENCIES AND PASS-THROUGH ENTITIES, SECTION 400 RESPONSIBILITIES

- (d) Pass-through entity responsibilities- A pass-through entity shall perform the following for the Federal award it makes:
 - (1) Identify Federal awards made by informing each subrecipient of CFDA title and number, award name and number, award year, if the award is R&D, and name of Federal agency. When some of this information is not available, the pass-through entity shall provide the best information available to describe the federal award.
 - (4) Ensure that the subrecipieints expending \$500,000 or more in Federal awards during the subrecipient's fiscal year have met the audit requirements of this part for that fiscal year.

CONDITION

During the fiscal year ended June 30, 2010, the County incurred \$103,815 in subgrant expenditures related to costs incurred by the County's subrecipients. We noted that for all 5 of the subgrants awarded to subrecipients under the County's 10F-4033 grant award, the County did not identify to each subrecipient the CFDA title and number. Furthermore, the County does not have any established controls for identifying and monitoring whether the subrecipients are required to have a Single Audit performed. We performed a search of the Federal Audit Clearinghouse database (available on the internet at http://harvester.census.gov/sac) to determine whether the County's subrecipients had a Single Audit performed, and noted that none of the County's subrecipients were in the database.

By not properly informing its subrecipients of the CFDA title and number, there is a risk that the subrecipients may not identify and properly report federal funds in accordance with OMB Circular A-133.

QUESTIONED COSTS

There are no questioned costs.

RECOMMENDATION

We recommend that the County revise its standard subgrant award agreements and include the required Federal Award information, such as the CFDA title and number. We recommend the County establish a checklist or standardized form for distribution to each of the program's subrecipient and request the subrecipient to confirm on an annual basis whether the subrecipient was subject to the requirements of OMB Circular A-133.

Schedule of Findings and Questioned Costs (Continued) For the Fiscal Year Ended June 30, 2010

Section III- Federal Awards Findings and Questioned Costs (continued)

MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN

Pass-through entity responsibilities - management concurs with the recommendations and commits to the following:

- 1. Health and Human Services will revise the standard subgrant award agreement to include all required Federal Award information such as the Catalog of Federal Domestic Assistance (CFDA) title and number, award year and the federal agency providing the funding.
- 2. Health and Human Services will revise the standard subgrant award agreement to include a requirement (and form) so that subrecipients will confirm annually whether the sub-recipient was subject to the requirement of OMB Circular 1-133.

Reference Number: 2010-07

Federal Catalog Number: 93.569 and 93.710

Federal Program Title: Community Service Block Grant

and ARRA - Community Services Block Grant

Award Number: 08F-4932; 09F-5133; and 10F-4033

Calendar Year Awarded: 2008, 2009, and 2010

Category of Finding: Reporting

Federal Agency: U.S. Department of Health and Human Services

Administering Agency: State Department of Community Services and Development

CRITERIA

TITLE 45 – PUBLIC WELFARE; PART 92 – UNIFORM ADMINISTRATIVE REQURIEMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE, LOCAL AND TRIBAL GOVERNMENTS; SUBPART C – POST AWARD REQUIREMENTS; FINANCIAL ADMINISTRATION; SECTION 92.20 – STANDARDS FOR FINANCIAL MANAGEMENT SYSTEMS

- (a) A State must expand and account for grant funds in accordance with State laws and procedures for expending and accounting for its own funds. Fiscal control and accounting procedures of the State, as well as its subgrantees and cost-type contractors, must be sufficient to—
 - (1) Permit preparation of reports required by this part and the statutes authorizing the grant, and
 - (2) Permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes.
- (b) The financial management systems of other grantees and subgrantees must meet the following standards:
 - (1) *Financial reporting*. Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant.
 - (6) Source documentation. Accounting records must be supported by such source documentation as cancelled checks, paid bills, payrolls, time and attendance records, contract and subgrant award.

Schedule of Findings and Questioned Costs (Continued) For the Fiscal Year Ended June 30, 2010

Section III- Federal Awards Findings and Questioned Costs (continued)

CONDITION

The County is required to submit both fiscal and programmatic reports for the Community Services Block Grant (CSBG) program. In conjunction with our testing of the reporting compliance requirement, we selected 12 fiscal reports for testing, which included expenditure activity reports and the annual fiscal report. For the 12 reports examined, we noted that 10 of the reports were submitted after the due date specifically identified in the grant award. Also, of the 12 fiscal reports examined, we identified 2 instances where the County was not able to provide the underlying supporting documentation used to prepare the reports.

We also tested 7 programmatic reports, which include the quarterly ARRA Project Status Report, the CSD 295 report and the CSD 801 report. For the 7 reports examined, we noted that 5 of the programmatic reports were submitted after the due date specifically identified in the grant award. Also, of the 7 programmatic reports examined, the County was not able to provide the underlying supporting documentation used to prepare the reports.

By not timely submitting the required programmatic and fiscal reports, the County risks the grantor agency withholding program funds.

OUESTIONED COSTS

There are no questioned costs.

RECOMMENDATION

Management responsible for the administration of the program should strengthen controls for monitoring the timely preparation and completion of the required fiscal and programmatic reports. Furthermore, personnel responsible for the preparation of the fiscal and programmatic reports should establish a file maintenance system to ensure that source documentation for the program reports are readily available which support and substantiate the accuracy and completeness of the reports.

MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN

Management concurs with the recommendation and commits to the following:

A schedule will be established each year to identify report due dates for both fiscal and program staff to be monitored by the Division Director or designee allowing better resource allocation for specific programmatic or fiscal priorities. Management notes that timeliness for submission of the reports have been impacted by (1) the very late contracting process by the State Department of Community Services and Development and (2) the reduction in the number of fiscal staff as a result of down sizing.

Furthermore, an electronic and paper filing system will be established. The electronic system will allow mutual sharing between fiscal and program staff for all documentation. The storing of documents in the paper filing system will be established by program staff and reviewed on an annual basis.

Summary Schedule of Prior Audit Findings For the Fiscal Year Ended June 30, 2010

Item #2009-1 – Capital Assets: Construction in Progress

We have reported a similar finding for the fiscal year ended June 30, 2010 – refer to item 2010-01 in the schedule of findings and questioned costs.

Item: #2009-02 - Preparation of the Schedule of Expenditures of Federal Awards (SEFA)

CRITERIA

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.

Subpart C, section .300(d) of Office of Management and Budget (OMB) Circular A-133, *Audits, of States, Local Governments, and Non-Profit Organizations*, "the auditee shall prepare appropriate financial statements, including the schedule of expenditures of federal awards in accordance with section .310."

Section 310 (b)(3) "The schedule of expenditures of Federal awards shall provide total Federal awards expended for each individual Federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available."

CONDITION

While conducting our audit of the County's financial statements and testing of the SEFA, we noted that the County did not correctly identify and report the appropriate Federal program titles commensurate with the assigned Federal CFDA numbers, as well as inaccurately reporting federal program expenditures. As an example, the County reported CFDA 10.672 as the Schools and Roads – Grants to Counties Federal program, whereas the Federal program title is the Rural Development, Forestry, and Communities program. Also, during our testing of the SEFA, we identified that the Medical Assistance Program (CFDA 93.778) expenditures were underreported on the SEFA because the County did not appropriately include all of the programs federally funded expenditures. On a quarterly basis, the County prepares the Expenditure Certification for the County Welfare Department Expense Claim (CEC) report, which summarizes and reports to the State of California quarterly expenditures incurred for the administration of various welfare programs. The CEC also identifies the funding source (i.e. Federal, State, County, and Department of Health Services) for the administrative expenditures reported on the CEC. After inquiry, the County determined that the Department of Health Services (DHS) funding represents 50% Federal and 50% State funding. Previously, the County was not including the 50% federal portion of the DHS funding, and therefore, was underreporting the Medical Assistance Program expenditures.

During our payroll testing for the Medical Assistance Program, we identified that improper time study hours were reported on the County's first quarter CEC report. Based upon the time study results there were 12,502 allocable hours, however, only 10,302 hours were reported on the original submitted claim.

CAUSE

Based upon our observations, it appears that the incorrect identification and reporting of the Federal program titles and CFDA numbers was due to the lack of an annual independent verification and validation. The exclusion of the 50% federal portion of DHS funding was because of a lack of awareness regarding the specific funding sources of the expenditures reported in the CEC. The incorrect reporting of the allocable hours was an oversight during the preparation and review of the quarterly CEC report.

Summary Schedule of Prior Audit Findings (Continued) For the Fiscal Year Ended June 30, 2010

EFFECT

The County exposes itself to the risk of inaccurately preparing the SEFA in accordance with the requirements of OMB Circular A-133 and not properly including all federal program expenditures that could result not properly identifying major programs.

The County identified the underreporting of the time study hours and submitted a revised claim per the time frame allowed by the State, which did not result in noncompliance. However, during the preparation of the SEFA, the original CEC report was used in the compilation of the SEFA, and resulted in the incorrect reporting of expenditures.

QUESTIONED COSTS

There are no questioned costs.

RECOMMENDATION

During the compilation of the County's SEFA, we recommend that the Auditor-Controller's Office require departments to submit underlying supporting documentation that substantiates each federal program's expenditures reported on the SEFA. Furthermore, the Auditor's Controller's Office should thoroughly review the appropriateness of the supporting documentation to ensure the completeness and accuracy of the reported expenditures and perform a comparison between the current year and prior year expenditures to identify any potential errors. The County should also verify each federal programs title and CFDA number during the compilation of the SEFA.

MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN

We agree with this finding. In the future, departments will be required to submit supporting documentation to substantiate program expenditures. Procedures within the Auditor-Controller's Office have been amended to ensure the completeness and accuracy of the reported expenditures, as well as the federal program title and CFDA number during the compilation of the SEFA.

STATUS

Fully corrected.