

COUNTY OF YUBA
SINGLE AUDIT REPORT
JUNE 30, 2009

COUNTY OF YUBA

Single Audit Report
For the Year Ended June 30, 2009

Table of Contents

	<u>Page</u>
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1-2
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	3-5
Schedule of Expenditures of Federal Awards.....	6-10
Notes to Schedule of Expenditures of Federal Awards	11-13
Schedule of Findings and Questioned Costs	14-28
Summary Schedule of Prior Audit Findings	29-33
Supplementary Schedule of the California Emergency Management Agency Grants Expenditures	34
Supplementary Schedules of the Department of Community Services and Development Grant Revenues and Expenditures.....	35-38



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

To the Honorable Members of the Board of Supervisors
of County of Yuba
Marysville, California

We have audited the accompanying financial statements of the government activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Yuba, California, as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements and have issued our report thereon dated April 1, 2010. Our Report was modified to include a reference to other auditors. 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. Other auditors audited the financial statements of the Yuba County Water Agency and the Yuba County Housing Authority. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be a material weakness.

A *control deficiency* 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting

To the Honorable Members of the Board of Supervisors
of County of Yuba

principles such that there is more than a remote likelihood that a misstatement of the entity's financial statement is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 09-FS-1 to be a significant deficiency in internal control over financial reporting.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, of the significant deficiency described above, we consider item 09-FS-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether County of Yuba'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*.

We noted certain matters that we reported to management of County of Yuba in a separate letter dated April 1, 2010.

County of Yuba'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 of Yuba's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Supervisors, 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.



Roseville, California
April 1, 2010



**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

To the Honorable Members of the Board of Supervisors
of County of Yuba
Marysville, California

Compliance

We have audited the compliance of the County of Yuba, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The County of Yuba'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, regulation, contracts, and grants applicable to each of its major federal programs is the responsibility of the County of Yuba's management. Our responsibility is to express an opinion on the County of Yuba'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 of Yuba'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 on the County of Yuba's compliance with those requirements.

In our opinion, County of Yuba complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. However, the results of our auditing procedures disclosed other 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 09-SA-1, 09-SA-2, 09-SA-3 and 09-SA-4.

To the Honorable Members of the Board of Supervisors
of County of Yuba

Internal Control Over Compliance

The management of the County of Yuba 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 County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies and others that we consider to be material weaknesses.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 09-SA-1, 09-SA-2, 09-SA-3 and 09-SA-4 to be significant deficiencies.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, we consider items 09-SA-1, 09-SA-2, and 09-SA-3 to be material weaknesses.

The County of Yuba'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 response and, accordingly, we express no opinion on it.

To the Honorable Members of the Board of Supervisors
of County of Yuba

Schedule of Expenditures of Federal Awards

We have audited the accompanying financial statements of the government activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Yuba, California, as of and for the year ended June 30, 2009, and have issued our report thereon dated April 1, 2010. The County of Yuba basic financial statements include the operations of its component units, Yuba County Housing Authority and Yuba County Water Agency. Our audit, described below, did not include the operations of Yuba County Housing Authority or the Yuba County Water Agency because these component units engaged auditors to perform a separate audit in accordance with OMB Circular A-133. Our audit was performed for the purpose of forming 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 Supplementary Schedules of the California Emergency Management Agency and the Department of Community Services and Development beginning on page 37 have not been subjected to auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the Board of Supervisors, 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.



Roseville, California
April 1, 2010

COUNTY OF YUBA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U. S. Department of Agriculture</u>			
Direct Programs:			
Plant and Animal Disease, Pest Control, and Animal Care - Japanese Dodder	10.025	--	\$ 11,303
Plant and Animal Disease, Pest Control, and Animal Care - GWSS	10.025	--	7,379
Subtotal CFDA 10.025			<u>18,682</u>
School Breakfast Program	10.553	--	41,307
National School Lunch Program	10.555	--	63,564
Cooperative Law Enforcement Program	10.664	07-LE11051360-050	13,995
Subtotal Direct			<u>137,548</u>
Passed through State Department of Social Services:			
Supplemental Nutrition Assistance Program	10.551 *	--	14,985,745
Supplemental Nutrition Assistance Program - C-IV	10.561 *	--	24,760
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561 *	--	1,069,879
Subtotal State Department of Social Services			<u>16,080,384</u>
Passed through State Controller's Office:			
Schools and Roads - Grants to States: Title I	10.665	--	94,448
Schools and Roads - Grants to States: Title III	10.665	--	32,000
Subtotal State Controller's Office			<u>126,448</u>
Total U.S. Department of Agriculture			<u>\$ 16,344,380</u>
<u>U. S. Department of Housing and Urban Development</u>			
Passed through State Department of Housing and Community Development:			
Community Development Block Grant/State's Program	14.228 *	04-STBG-1947	252,602
HOME Investment Partnerships Program	14.239	04-HOME-0770	88,400
HOME Investment Partnerships Program	14.239	07-HOME-3220	179,000
Subtotal CFDA Number 14.239			<u>267,400</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 520,002</u>

* Major Program

COUNTY OF YUBA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U. S. Department of Justice</u>			
Direct Programs:			
Bulletproof Vest	16.607	--	\$ 5,250
State Criminal Alien Assistance Program	16.606	2008-F2663-CA-AP	62,766
Justice Assistance Grant	16.738	DC06190580	26,002
Subtotal Direct			<u>94,018</u>
Passed through California Emergency Management Agency:			
Child Abuse Treatment and Advocacy	16.575	AT08050580	138,581
Victim Witness Assistance Program	16.575	VW08220580	46,848
Special Emphasis Victim Program	16.575	SE08180580	93,500
Elder Abuse and Advocacy Program	16.575	EA08110580	30,986
Subtotal CFDA 16.575			<u>309,915</u>
Yuba County Drug Impact Program	16.738	DC08210580	133,381
Subtotal California Emergency Management Agency			<u>443,296</u>
Total U.S. Department of Justice			<u>\$ 537,314</u>
<u>U. S. Department of Transportation</u>			
Passed through State Department of Transportation:			
Highway Bridge Program	20.205	HPLUL-5916(072)	40,420
Highway Bridge Program	20.205	HSIPL-5916(059)	47,123
Highway Bridge Program	20.205	HRRRL-5916(073)	13,952
Loma Rica Safety Improvements	20.205	HRRRL-5916(078)	2,545
Highway Bridge Program	20.205	BPMP-5916(064)	264
Highway Bridge Program	20.205	BRLO-5916(014)	14,774
Highway Bridge Program	20.205	BRLS-5916(029)	27,310
Highway Bridge Program	20.205	BRLS16(065)	3,244
Hazard Elimination Safety	20.205	STPLH-5916(101)	21,960
Regional Surface Transportation Program	20.205	RPSTPLE-5916(066)	475,471
ARRA - Laporte Pavement Rehabilitation	20.205	ESPL-5916(079)	10,041
ARRA - Road Rehabilitation Project	20.205	ESPL-5916(083)	7,714
Subtotal CFDA 20.205			<u>664,818</u>
Enforcing Underage Drinking Law	20.600	AP29557803213	17,242
Total U.S. Department of Transportation			<u>\$ 682,060</u>

* Major Program

COUNTY OF YUBA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U. S. Department of Health and Human Services</u>			
Passed through State Department of Public Health:			
Center for Disease Control & Prevention	93.069	--	\$ 55,560
Maternal & Child Health	93.110	--	131,596
National Bioterrorism Hospital Preparedness Program	93.889	2008-2009	29,301
Subtotal State Department of Public Health			216,457
Passed through State Department of Health Care Services:			
Targeted Case Management	93.778 *	--	40,875
California Children's Services	93.778 *	--	98,670
Medical Assistance Program	93.778 *	--	1,794,946
Child Health and Disability Program	93.778 *	--	70,939
Medical Assistance Program - Foster Care	93.778 *	--	35,936
Medical Assistance Program - Adult Protective Services	93.778 *	--	112,106
Child Welfare Services Title XIX Medical Assistance Program	93.778 *	--	602,676
Medical Assistance Program - In Home Supportive Services	93.778 *	--	582,240
Subtotal State Department of Health Care Services			3,338,388
Passed through State Department of Aging:			
Multi-Senior Services Program (MSSP)	93.778 *	--	125,863
Passed through State Department of Social Services:			
Temporary Assistance for Needy Families - Assistance	93.558 *	--	9,791,972
Child Welfare Services (TANF)	93.558 *	--	347,184
Temporary Assistance for Needy Families - C-IV	93.558 *	--	22,663
Temporary Assistance for Needy Families - Administration	93.558 *	--	7,823,514
Kin-GAP Assistance	93.558 *	--	13,622
Subtotal CFDA 93.558			17,998,955

* Major Program

COUNTY OF YUBA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U. S. Department of Health & Human Services (continued)</u>			
Passed through State Department of Social Services (continued):			
Foster Care - Title IV-E - Assistance	93.658 *	--	\$ 921,577
Foster Care - Title IV-E	93.658 *	--	1,738,448
Foster Care - Title IV-E - Child Welfare Services	93.658 *	--	53,863
Foster Care - Title IV-E	93.658 *	--	63,347
Foster Family Home Licensing	93.658 *	--	19,320
Foster Parents AB2129	93.658 *	--	7,021
Group Home Monthly Visits & Probation	93.658 *	--	20,498
Foster Care - Title IV-E - Probation	93.658 *	--	462,121
Foster Care - Title IV-E - Emergency Fund	93.658 *	--	3,225
Foster Care Title IV-E - SACWIS	93.658 *	--	25,780
ARRA - Foster Care IV-E	93.658 *	--	64,184
Subtotal CFDA 93.658			3,379,384
Adoption Assistance - Assistance	93.659	--	1,411,923
Adoption Assistance - Administration	93.659	--	28,279
Adoption Assistance - Nonrecurring Expense	93.659	--	2,571
ARRA - Adoption Assistance	93.659	--	117,913
Subtotal CFDA 93.659			1,560,686
Promoting Safe and Stable Families	93.556	--	72,263
Child Welfare Services - State Grants	93.645	--	82,651
Community Care Licensing/Foster Family Homes	93.667	--	117,433
Independent Living Program	93.674	--	78,553
Subtotal			350,900
Subtotal State Department of Social Services			23,289,925
Passed through the State Department of Child Support Services:			
Child Support Enforcement	93.563 *	--	2,481,429
Passed through the State Department Community Services and Development:			
Community Services Block Grant	93.569	08F-4948 CY 2008	161,362
Community Services Block Grant	93.569	08F-4948 CY 2009	45,138
Community Services Block Grant	93.569	08F-4953 CY 2008	170,178

* Major Program

COUNTY OF YUBA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U. S. Department of Health & Human Services</u> (continued)			
Passed through the State Department Community Services and Development (continued):			
Community Services Block Grant	93.569	08F-4953 CY 2009	\$ 49,730
Subtotal State Department of Community Services and Development and CFDA 93.569			<u>426,408</u>
Total U.S. Department of Health & Human Services			<u>\$ 29,878,470</u>
<u>U.S. Department of Homeland Security</u>			
Passed through Governor's Office of Homeland Security:			
FY 08 Emergency Management Performance Grant	97.042	2008-9	<u>88,378</u>
FY 07 Homeland Security Grant Program	97.073	2007-0008	25,276
FY 08 Homeland Security Grant Program	97.073	2008-0006	150,818
Subtotal CFDA 97.073			<u>176,094</u>
FY 06 Buffer Zone Protection Program	97.078	2006-0045	<u>22,775</u>
Passed through California Emergency Management Agency:			
Public Safety Interoperable Communications Program	97.074	2007-0008	<u>1,882</u>
Total U.S. Department of Homeland Security			<u>\$ 289,129</u>
Total Expenditures of Federal Awards, Excluding Loans			<u><u>\$ 48,251,355</u></u>
<u>Beginning Federal Loan Balances With a Continuing Compliance Requirement</u>			
<u>U.S. Department of Housing and Urban Development</u>			
Passed through State Department of Housing and Community Development:			
Community Development Block Grants/State's Program	14.228 *	--	\$ 4,626,741
Community Development Block Grants/State's Program (Economic Development Initiative)	14.228 *	--	<u>393,944</u>
Federal Loan Balances with a Continuing Compliance Requirement			<u>5,020,685</u>
Total Expenditures of Federal Awards, Including Loans			<u><u>\$ 53,272,040</u></u>

* Major Program

COUNTY OF YUBA

Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Note 1: **Reporting Entity**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) presents the activity of all federal awards programs of the County of Yuba (County), with the exception of Yuba County Housing Authority, which expended \$2,080,960 of federal awards, and was subject to a separate single audit by independent auditors. The County's reporting entity is defined in Note 1 to the County's basic financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, are included in the Schedule.

Note 2: **Basis of Accounting**

The accompanying Schedule of Expenditures of Federal Awards is prepared on an accrual basis. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Note 3: **Relationship to Financial Statements**

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree, in all material respects, to amounts reported within the County's financial statements. Federal award revenues are reported principally in the County's financial statements as intergovernmental revenues in the General and Special Revenue funds.

Note 4: **Subrecipients**

Of the federal expenditures presented in the Schedule of Expenditures of Federal Awards, the County provided federal awards to subrecipients as follows:

<u>Federal CFDA#</u>	<u>Program</u>	<u>Amount</u>
14.228	Community Development Block Grant	\$ 88,048
93.569	Community Services Block Grant - YC	164,415
93.569	Community Services Block Grant - SC	157,957

COUNTY OF YUBA

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009

Note 5: **Loans with Continuing Compliance Requirement**

Outstanding federally-funded program loans, with a continuing compliance requirement, carried balances as of July 1, 2008 and June 30, 2009 as follows:

Federal CFDA#	Program Title	Amount Outstanding	
		July 1, 2008	June 30, 2009
14.228	Community Development Block Grant/State's Program	\$ 4,626,741	\$ 3,732,752
14.228	Community Development Block Grant/State's Program (Economic Development Initiative	393,944	267,168
14.239	HOME Investment Partnerships Program	---	<u>1,104,935</u>
	Total	<u>\$ 5,020,685</u>	<u>\$ 5,104,855</u>

Note 6: **Program Clusters**

Federal programs, which must be audited together as a program cluster, include the following:

Federal CFDA#	Program Title	Federal Expenditures
<u>Supplemental Nutrition Assistance Program (SNAP) Cluster:</u>		
10.551	Supplemental Nutrition Assistance Program	\$ 14,985,745
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	<u>1,094,639</u>
	Total	<u>\$ 16,080,384</u>
<u>Child Nutrition Cluster:</u>		
10.553	School Breakfast Program	\$ 41,307
10.555	National School Lunch Program	<u>63,564</u>
	Total	<u>\$ 104,871</u>

COUNTY OF YUBA

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009

Note 6: **Program Clusters** (continued)

Homeland Security Cluster

97.073	Homeland Security Grant Program	\$ 176,094
97.074	Public Safety Interoperable Communications Program	<u>1,882</u>
	Total	<u>\$ 177,976</u>

Note 7: **Pass-Through Entities' Identifying Number**

When federal awards were received from a pass-through entity, the Schedule of Expenditures of Federal Awards shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the County determined that no identifying number is assigned for the program or the County was unable to obtain an identifying number from the pass-through entity.

Note 8: **Total Federal Awards Expended by CFDA Number**

When there is more than one program under a single CFDA number, the Schedule of Expenditures of Federal Awards presents totals of all programs under one CFDA number. Occasionally, however, this total could not be conveniently displayed because all programs under one CFDA number were not contiguous. When this occurred, this total is not shown in the Schedule, but instead is provided below:

<u>CFDA No.</u>	<u>Total Federal Expenditures</u>
93.778	\$ 3,464,251

Note 9: **Department of Aging Federal/State Share**

During the fiscal year ended June 30, 2009, the County expended the following amounts under grants which pass through the California Department of Aging:

<u>CFDA</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>
93.778	\$ 125,863	\$ 125,863

COUNTY OF YUBA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2009

Section 1

Financial Statements

Summary of Auditor's Results

- | | |
|--|-------------|
| 1. Type of auditor's report issued: | Unqualified |
| 2. Internal controls over financial reporting: | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiency identified not considered to be material weaknesses? | No |
| 3. Noncompliance material to financial statements noted? | No |

Federal Awards

- | | |
|---|-------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiency identified not considered to be material weaknesses? | Yes |
| 2. Type of auditor's report issued on compliance for major programs: | Unqualified |
| 3. Any audit findings disclosed that are required to be reported in accordance with Circular OMB A-133, Section 510(a)? | Yes |
| 4. Identification of major programs: | |

CFDA Number

Name of Federal Program

SNAP Cluster

- | | |
|--------|--|
| 10.551 | Supplemental Nutrition Assistance Program |
| 10.561 | State Administrative Matching Grants for the Supplemental Nutrition Assistance Program |
| 14.228 | Community Development Block Grant/State's Program |
| 93.563 | Child Support Enforcement |

COUNTY OF YUBA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2009

Section 1 (continued)

4. Identification of major programs: (continued)

<u>CFDA Number</u>	<u>Name of Federal Program</u>
93.558	Temporary Assistance for Needy Families
93.658	Foster Care – Title IV-E
93.778	Medical Assistance Program

5. Dollar Threshold used to distinguish between Type A and Type B programs? \$ 1,598,161
6. Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 530? No

Section 2

Financial Statement Findings

Trust Funds Finding 09-FS-1

Section 3

Federal Award Findings and Questioned Costs

CFDA 93.563 Finding 09-SA-1
CFDA 93.778 Finding 09-SA-2
CFDA 93.558 Finding 09-SA-3
CFDA 93.558 Finding 09-SA-4

COUNTY OF YUBA

Schedule of Findings and Questioned Costs Financial Statement Findings For the Year Ended June 30, 2009

Finding Number	Findings/Noncompliance
Finding 09-FS-1	<p data-bbox="516 394 672 428"><i>Trust Funds</i></p> <p data-bbox="516 432 1110 466"><i>Reporting Requirement: Material Weakness</i></p> <p data-bbox="516 504 618 537"><u>Criteria</u></p> <p data-bbox="516 575 1442 894">Under Governmental Accounting Standards Board (GASB) Statement No. 34, amounts formally held in trust but used to support the County's own programs should be reported as funds within the County's reporting entity so as to ensure all economic resources that can be used by the County are reported in the basic financial statements. Use of the agency fund type is limited to resources the County holds purely in a custodial capacity for individuals or other organizations, such as school districts and special districts not governed by the County Board of Supervisors.</p> <p data-bbox="516 932 646 966"><u>Condition</u></p> <p data-bbox="516 1003 1442 1142">During the audit, we noted 58 funds holding cash and investments totaling approximately \$41 million which were incorrectly classified as agency funds. These funds hold resources used to support the County's functions and activities.</p> <p data-bbox="516 1180 1442 1428">Agency funds also have few mechanisms for reporting total inflows and outflows as the purpose of an agency fund is to account for the balance of cash and investments at any point in time, not the change in resources during a period. As a result, payments made out of these agency funds were aggregated as negative revenue and the transfers from these funds into County operating funds were reported as revenues.</p> <p data-bbox="516 1465 597 1499"><u>Cause</u></p> <p data-bbox="516 1537 1442 1680">The County's general ledger fund structure is designed to satisfy State budgetary and legal requirements. The County's general ledger structure does not readily translate to the reporting model required to be used for governmental financial reporting.</p>

COUNTY OF YUBA

Schedule of Findings and Questioned Costs Financial Statement Findings For the Year Ended June 30, 2009

Finding Number	Findings/Noncompliance
Finding 09-FS-1 (continued)	<p data-bbox="518 394 597 428"><u>Effect</u></p> <p data-bbox="518 468 1438 711">Activity in these funds is required to be included in the County’s reporting entity, either as additional funds or transactions in existing County funds. By not including these funds, assets, liabilities, revenues and expenses are materially misstated. There is the potential for double reporting of revenues when resources are transferred into operating funds. Not using the accounting system to control the flow of revenues increases the potential for reporting revenues twice.</p> <p data-bbox="518 751 1438 995">By not using the accounting system to account for the activity of these trust funds, the County’s general ledger does not translate the information for including it in the County’s financial report. In addition, because the County does not budget for any activity occurring in agency funds, significant deviations from the adopted budget are not apparent until well after the end of the fiscal year and thus cannot be addressed when they occur.</p> <p data-bbox="518 1045 743 1079"><u>Recommendation</u></p> <p data-bbox="518 1119 1438 1291">We recommend the Auditor-Controller’s Office create new funds in its accounting system to account for these trust funds either as County funds having the full functionality of reporting revenues and expenditures or by including the balances and activities in existing County funds. All governmental trust funds should be closed.</p> <p data-bbox="518 1341 813 1375"><u>Management Response</u></p> <p data-bbox="518 1415 1438 1623">We partially concur with the recommendation. The Auditor-Controller’s office is choosing not to close the various trust funds within the County’s financial system. However, for financial reporting purposes, we have modified the reporting structure of these funds to be characterized as Governmental Fund types, to be reported as special revenue funds by function.</p>

COUNTY OF YUBA

Schedule of Findings and Questioned Costs Federal Award Findings and Questioned Costs For the Year Ended June 30, 2009

<u>Program</u>	<u>Findings/Noncompliance</u>
Finding 09-SA-1	<i>Federal Grantor: U.S. Department of Health and Human Services</i>
Child Support Enforcement CFDA 93.563	<i>Pass-Through Entity: State Department of Child Support Services</i>
Award No. n/a Year: 2008-09	<i>Compliance Requirement: Allowable Activities/Cost Principles</i>
	<i>Reporting Requirement: Material Weakness; Material Non-Compliance in Relation to a Compliance Supplement Audit Objective</i>

Criteria

Direct payroll charges to federal grants for employee time spent on grant functions must be supported by documentation as required by OMB Circular A-87, which provides: "Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These time certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee" (2 CFR 225, Appendix B § (8)(h)(3)).

Condition

We selected a sample of payroll for employees who worked only on the Child Support Program and requested the A-87 time certifications described above. We were informed that the employees did not sign time certificates showing that they worked 100% on the Child Support Program nor did the Department have another, approved method of documenting salaries expenditures in place.

Questioned Costs

We do not question any costs because all employees in the Child Support Department work only on the Child Support Enforcement program. Therefore, it was apparent that the Child Support salary costs were only for the Child Support Enforcement program.

Perspective

We do not believe any further information would provide a better perspective.

COUNTY OF YUBA

Schedule of Findings and Questioned Costs
Federal Award Findings and Questioned Costs
For the Year Ended June 30, 2009

Program	Findings/Noncompliance
Finding 09-SA-1 (continued) Child Support Enforcement CFDA 93.563	<p data-bbox="467 428 768 464"><u>Effect of the Condition</u></p> <p data-bbox="467 504 1427 678">The completion of time certifications enables the department to establish that its full-time employees do in fact work exclusively on the program in accordance with A-87 standards. Without the periodic time certifications, employee assignments away from federal grant functions could be overlooked.</p> <p data-bbox="467 722 698 758"><u>Recommendation</u></p> <p data-bbox="467 795 1427 1050">We recommend that the Department implement an internal control system requiring that all employees who work only on Child Support Enforcement activities sign a periodic certification stating that the employee worked solely on Child Support Enforcement for the period covered by the certification. These certifications should be prepared at least semi-annually and be signed by the employee. As well, the employee's supervisor should review and approve the certifications.</p> <p data-bbox="467 1087 768 1123"><u>Corrective Action Plan</u></p> <p data-bbox="467 1161 1427 1415">The Yuba County Department of Child Support Services (YCDCSS) will complete Time Study or Time Certifications as appropriate in accordance with A-87 standards for the months of August and February of each year. This will begin in February 2010. The time study or certification will be submitted to the direct supervisor for review and signature and then be forwarded to the payroll coordinator to ensure that all are completed and included in the documentation used to prepare the quarterly CS356.</p> <p data-bbox="467 1453 1427 1522">The contact person for this corrective action plan is Tina Taylor, Director of Yuba County Department of Child Support Services, (530) 749-6023.</p>

COUNTY OF YUBA

Schedule of Findings and Questioned Costs
Federal Award Findings and Questioned Costs
For the Year Ended June 30, 2009

Program	Findings/Noncompliance
Finding 09-SA-2 Medical Assistance Program CFDA 93.778 Award No. n/a Year: 2008-09	<i>Federal Grantor:</i> U.S. Department of Health and Human Services <i>Pass-Through Entity:</i> State Department of Social Services <i>Compliance Requirement:</i> Eligibility <i>Reporting Requirement:</i> Material Weakness; Material Non-Compliance in Relation to a Compliance Supplement Audit Objective We tested eligibility in twenty-nine Medi-Cal cases and noted the following exceptions: <u>Criteria and Condition</u> <i>IEVS:</i> As required by 42 United States Code § 1320b-7, information from the Income Eligibility and Verification System (IEVS) database must be requested and used when making eligibility determinations on cases under this program. Further, the County is required to review and compare the information obtained from IEVS against information contained in the case record to determine whether it affects the individual's eligibility or share of cost. Internal controls require that eligibility workers sign the IEVS form after it is reviewed and used in eligibility determination and share of cost. We noted that four cases did not contain a current IEVS for any assisted member of the family and one additional case did not have an IEVS for one member of the family. <i>Documentation of Income:</i> In determining eligibility for the Medical Assistance Program, the County is required to have facts in the case record to support its eligibility determination and a written application, signed under penalty of perjury. The County must use these documents in determining eligibility and share of cost. In one case tested, the program participant's income was only expected to last 5 months but the SAWS input showed 12 months instead of 5 months. In another case tested, income documented in the file was \$1,288 but income as input into the eligibility software was \$1,363.

COUNTY OF YUBA

Schedule of Findings and Questioned Costs Federal Award Findings and Questioned Costs For the Year Ended June 30, 2009

Program

Findings/Noncompliance

Finding 09-SA-2
(continued)

Medical
Assistance
Program
CFDA 93.778

Criteria and Condition (continued)

Program Participant Received Benefits Past Last Day of Eligibilit.: Infants born to women who are eligible for and receiving Medi-Cal at the time of birth are automatically "deemed eligible" for one year without a separate Medi-Cal application and social security identification number. In addition, these infants shall remain eligible, regardless of any increases in the family's income, as long as the following conditions continue to apply: (1) the infant continues to live with his/her mother; and (2) the mother remains eligible for Medi-Cal or would have remained eligible if she were still pregnant. (c) Individuals described in (a) or (b) above must continue to meet all other eligibility criteria. Title 22 California Code of Regulations § 50262.3.

Questioned Costs

The state handles the actual medical benefits. The County has no access to this information. Because the medical benefits would be the source of any questioned costs, we are not in a position to question costs.

Perspective

For IEVS, we computed the error rate at 13.80%. For income documentation, we computed the error rate at 6.90%. For the child who was past the time period when he would be "deemed eligible" the error rate is 3.45%. This "deemed eligible" error occurred because of an override. We noted that the County has experienced increased caseloads without additional staffing.

Effect of Condition

The effect of the exceptions enumerated above is that clients could receive medical care under this program, to which they are not entitled.

Recommendation

We suggest that training be given on the importance of the IEVS in eligibility determination, making sure that income documentation in the file matches input into SAWs and problems that overrides can cause. We understand that the new eligibility software C-IV is expected to improve

COUNTY OF YUBA

Schedule of Findings and Questioned Costs
Federal Award Findings and Questioned Costs
For the Year Ended June 30, 2009

Program	Findings/Noncompliance
Finding 09-SA-2 (continued) Medical Assistance Program CFDA 93.778	<u>Recommendation</u> (continued) the IEVS exception rate. We further suggest that more staff be assigned to eligibility work for this program. <u>Corrective Action Plan</u> <i>IEVS:</i> The Eligibility/Employment Services Divisions Policy and Procedure titled "IEVS Payment Verification System (PVS)" clearly defines the procedure for processing IEVS documents. The policy and procedure will be reviewed by supervisors at unit meetings and training specific to the IEVS process will be presented at division meetings for both the Eligibility and Employment Services Divisions. The IEVS review at unit meetings and the training at division meetings will be completed by March 31, 2010. <i>Documentation of Income:</i> The Eligibility/Employment Services Divisions Policy and Procedure titled "Medi-Cal Income Verification" clearly defines the procedure for verifying income, determining eligibility and the share of cost for Medi-Cal cases. The policy and procedure will be reviewed by supervisors at unit meetings and during a one on one meeting with the individual workers by April 30, 2010. <i>Program Participant Received Benefits Past Last Day of Eligibility:</i> The Eligibility/Employment Services Divisions Policy and Procedure titled "Deemed Eligibility (Medi-Cal)" clearly defines the duration of eligibility for infants born to women who are eligible for and receiving Medi-Cal at the time of birth. The policy and procedure will be reviewed by supervisors at unit meetings and during a one on one meeting with the individual worker by April 30, 2010. The contact person for this corrective action plan is Carol Newsom, Program Manager, (530) 749-6480.

COUNTY OF YUBA

Schedule of Findings and Questioned Costs
Federal Award Findings and Questioned Costs
For the Year Ended June 30, 2009

Program	Findings/Noncompliance
<p>Finding 09-SA-3</p> <p>Temporary Assistance for Needy Families CFDA 93.558</p> <p>Award No. Year: 2008-09</p>	<p><i>Federal Grantor:</i> U.S. Department of Health and Human Services</p> <p><i>Pass-Through Entity:</i> State Department of Social Services</p> <p><i>Compliance Requirement:</i> Eligibility</p> <p><i>Reporting Requirement:</i> Material Weakness; Material Non-Compliance in Relation to a Compliance Supplement Audit Objective</p> <p>We tested eligibility in twenty-nine TANF cases and noted the following exceptions:</p> <p><u>Criteria and Condition</u></p> <p><i>IEVS:</i> As required by Section 1137 of the Social Security Act, benefit information from the Income Eligibility and Verification System (IEVS) database must be requested and used when making eligibility determinations. The County must review and compare the information obtained from IEVS against information contained in the case record to determine whether it affects the individual's eligibility, level of assistance, benefits or services. Eligibility staff sign the IEVS to indicate that they have used the IEVS in eligibility determination.</p> <p>We noted that one case did not contain an IEVS for any assisted member of the family and five additional cases did not have an IEVS for one assisted member of the family. We also noted that one IEVS was not signed indicating that the eligibility worker had reviewed the IEVS and used the IEVS in eligibility determination.</p> <p><i>Welfare to Work:</i> Each adult receiving Federal assistance must participate in the Welfare to Work (WTW) Program, unless the person is exempt by reason of their status or the person is granted an exemption.</p> <p>In one case, a client's temporary exemption expired in January 2008. The eligibility worker should have notified the WTW staff to reinstate the case at that time but did not.</p>

COUNTY OF YUBA

Schedule of Findings and Questioned Costs Federal Award Findings and Questioned Costs For the Year Ended June 30, 2009

Program	Findings/Noncompliance
Finding 09-SA-3 (continued)	<u>Questioned Costs</u>
Temporary Assistance for Needy Families CFDA 93.558	<p>Despite the exceptions noted above, no client without an IEVS was shown to be ineligible for the benefits they received. Therefore, we do not question costs. The person who should have been assigned to a WTW activity would not be eligible for TANF, however, the benefits paid were minimal and did not exceed the \$10,000 threshold contained in OMB A-133.510(a)(3).</p>
	<u>Perspective</u>
	<p>For WTW we computed the error rate at 3.45%. For missing IEVS, we computed the error rate at 8.37%. For unsigned IEVS, we computed the error rate at 3.45%. We noted that the County has experienced increased caseloads without additional staffing.</p>
	<u>Effect of Condition</u>
	<p>The effect of the exceptions enumerated above is that clients might receive benefits to which they are not entitled.</p>
	<u>Recommendation</u>
	<p>We suggest that training be given on the importance of the IEVS in eligibility determination. We suggest better calendaring system to track individuals whose WTW exemption expires so they can then be properly assigned WTW activities. We understand that the new eligibility software C-IV is expected to improve the IEVS exception rate. We further suggest that more staff be assigned to eligibility work for this program.</p>
	<u>Corrective Action Plan</u>
	<p><i>IEVS:</i> The Eligibility/Employment Services Divisions Policy and Procedure titled "IEVS Payment Verification System (PVS)" clearly defines the procedure for processing IEVS documents. The policy and procedure will be reviewed by supervisors at unit meetings and training specific to the IEVS process will be presented at division meetings for both the Eligibility and Employment Services Divisions.</p>

COUNTY OF YUBA

Schedule of Findings and Questioned Costs
Federal Award Findings and Questioned Costs
For the Year Ended June 30, 2009

Program	Findings/Noncompliance
Finding 09-SA-3 (continued)	<u>Corrective Action Plan</u> (continued)
Temporary Assistance for Needy Families CFDA 93.558	<p data-bbox="472 506 711 539"><i>IEVS:</i> (continued)</p> <p data-bbox="472 541 1406 611">The IEVS review at unit meetings and the training at Division meetings will be completed by March 31, 2010.</p> <p data-bbox="472 653 691 686"><i>Welfare to Work:</i></p> <p data-bbox="472 688 1406 827">Caseload Alerts are used as a system tickler to remind the Worker when a clients WtW exemption expires so they can then be properly assigned WtW activities or to have the client verify if their exemption needs to be extended.</p> <p data-bbox="472 869 1406 972">The SAWS Eligibility Training Manual-Miscellaneous Section-Alerts-Caseload Alert Process, clearly defines the procedure for processing caseload alerts.</p> <p data-bbox="472 1014 1406 1083">The Caseload Alert Process will be reviewed by supervisors at unit meetings and will be discussed one-on-one with the individual worker.</p> <p data-bbox="472 1125 1406 1194">The Caseload Alert Process and the one-on-one discussion with the individual worker will be completed by March 31, 2010.</p> <p data-bbox="472 1236 1406 1306">The contact person for this corrective action plan is Carol Newsom, Program Manager, (530) 749-6480.</p>

COUNTY OF YUBA

Schedule of Findings and Questioned Costs
Federal Award Findings and Questioned Costs
For the Year Ended June 30, 2009

Program	Findings/Noncompliance
Finding 09-SA-4 Temporary Assistance for Needy Families CFDA 93.558 Award No. n/a Year: 2008-09	<i>Federal Agency:</i> U.S. Department of Health and Human Services <i>Pass Through Entity:</i> California Department of Social Services <i>Compliance Requirement:</i> Reporting <i>Reporting Requirement:</i> Significant Deficiency; Material Noncompliance in Relation to Compliance Supplement Audit Objective. <u>Criteria</u> Each adult receiving Federal TANF assistance must participate in the Welfare to Work Program (WTW) unless the person is exempt by reason of their status or the person is granted an exemption. States are required to report certain data on their program’s Welfare to Work (WTW) participation to the federal government. Data for this report is initially provided by the counties to the State in a report termed the E2-Lite report. The data reported serves as the basis for the Administration for Children and Families (ACF), a component of the Department of Health and Human Services (HHS), to determine whether States have met the required WTW work participation rates. The minimum WTW work participation rate is 50 percent overall for all cases and 90 percent for the two-parent families. A state’s minimum work participation rate may be reduced by its caseload reduction credit. HHS may penalize the entire state by an amount of up to 21 percent of the state Family Assistance Grant for violation of these WTW work participation rates. 42 USC 609(a)(4); 45 CFR section 262.1(a)(4). <u>Condition</u> We tested twenty-nine TANF cases and noted one discrepancy in E2-Lite reporting to the State. <u>Questioned Costs</u> We do not question costs because no costs were involved in the exceptions.

COUNTY OF YUBA

Schedule of Findings and Questioned Costs Federal Award Findings and Questioned Costs For the Year Ended June 30, 2009

<u>Program</u>	<u>Findings/Noncompliance</u>
Finding 09-SA-4 (continued)	<u>Perspective</u>
Temporary Assistance for Needy Families CFDA 93.558	We do not believe any further information would provide a better perspective.
	<u>Effect of the Condition</u>
	When the County does not accurately report information in their E2-Lite report, the federal government's data upon which to determine whether States have met the required WtW work participation rate is compromised.
	<u>Recommendation</u>
	We suggest a higher level of supervisory review and further staff training on the importance of the accuracy of information in the E2-Lite report.
	<u>Corrective Action Plan</u>
	<u>E2-Lite Report</u>
	Employment Services staff track and report actual hours of WtW participation in work related activities. Each month Employment Services Staff receive "Sample File Review" instructions from their supervisor for WtW sample files whose hours, activities and documentation need to be collected and sent to the State in an E2-Lite Report. The "Sample File Review" instructions clearly define the process for accurately reporting information for the E2-Lite Report. In addition, supervisors are directed to review the sample cases with their staff as needed, discuss the required hours of participation and engagement strategies, and monitor staff to ensure they obtain documentation for all participation hours and narrate correctly in SAWS.
	The "Sample File Review" instructions for the WtW sample File and documentation requirements for the E2-Lite Report will be reviewed at a Supervisors Meeting. Supervisors will then review with their staff at unit meetings. Supervisors will also be directed to review the "Sample File Review" instructions will all of their staff. This will include WtW participation hours requirements for "one-parent" and "two-parent" families so that staff accurately report/narrate information to be included in the E2-Lite Report that is sent to the State.

COUNTY OF YUBA

Schedule of Findings and Questioned Costs
Federal Award Findings and Questioned Costs
For the Year Ended June 30, 2009

<u>Program</u>	<u>Findings/Noncompliance</u>
Finding 09-SA-4 (continued)	<u>Corrective Action Plan</u> (continued)
Temporary Assistance for Needy Families CFDA 93.558	<u>E2-Lite Report</u> (continued) These meetings will be completed by March 31, 2010. The contact person for this corrective action plan is Carol Newsom, Program Manager, (530) 749-6480.

COUNTY OF YUBA

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2009

<u>Program</u>	<u>Status of Prior Year Audit Findings</u>
Finding 08-SA-1	<i>Federal Grantor: U.S. Department of Housing and Urban Development</i>
Community Development Block Grant/States Program CFDA 14.228	<i>Pass-Through Entity: State Department of Housing and Community Development</i>
	<i>Compliance Requirement: Allowable Costs/Activities</i>
	<i>Reporting Requirement: Significant Deficiency</i>
Award Nos. N/A Year: 2007-08	<u>Recommendation</u> We recommend that the County thoroughly consider the CDBG guidance on allowable expenditures prior to approving expenditures. With the exception of expenditures of a minimal amount and program loans (approved by the loan committee), we further recommend that the signatures of two staff members, who are knowledgeable of the CDBG regulations, be required to approve expenditures.
	<u>Status</u> Implemented.

COUNTY OF YUBA

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2009

Program	Status of Prior Year Audit Findings
Finding 08-SA-2 Temporary Assistance for Needy Families (TANF) CFDA 93.558 Award No. Year: 2007-08	<i>Federal Grantor: U.S. Department of Health and Human Services</i> <i>Pass-Through Entity: State Department of Social Services</i> <i>Compliance Requirement: Eligibility</i> <i>Reporting Requirement: Material Weakness; Material Non-Compliance in Relation to a Compliance Supplement Audit Objective</i> <u>Recommendation</u> We recommend that the Department review the facts regarding these exceptions and determine what procedures might be implemented to prevent recurrence of these errors. If further internal controls are warranted, we recommend that the Department establish and enforce such improved internal control system. <u>Status</u> <i>Birth Certificate or Alternate Proof of Age and Citizenship</i> Implemented. <i>Quarterly Income Report (QR7):</i> Implemented.

COUNTY OF YUBA

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2009

<u>Program</u>	<u>Status of Prior Year Audit Findings</u>
Finding 08-SA-3 Medical Assistance Program CFDA 93.778 Award No. n/a Year: 2007-08	<i>Federal Grantor: U.S. Department of Health and Human Services</i> <i>Pass-Through Entity: State Department of Health Services</i> <i>Compliance Requirement: Eligibility</i> <i>Reporting Requirement: Material Weakness; Material Noncompliance In Relation to a Major Program (07-SA-2 and 08-SA-3 considered together)</i> <u>Recommendation</u> We recommend that a review process be implemented to ensure that the required annual redeterminations for the Medi-Cal Assistance Program are conducted. If necessary, we recommend that the County assign more personnel resources to performing redeterminations. <u>Status</u> Implemented.
Finding 08-SA-4 Community Development Block Grant/ States Program CFDA 14.228 Award Nos. 04-PTAA-030 Year: 2007-08	<i>Federal Grantor: U.S. Department of Housing and Urban Development</i> <i>Pass-Through Entity: State Department of Housing and Community Development</i> <i>Compliance Requirement: Reporting; Earmarking</i> <i>Reporting Requirement: Significant Deficiency</i> <u>Recommendation</u> We recommend that the County require that general ledger activity be reconciled to the FARs and that the reconciliation be documented so that the numbers on the FARs can easily be traced to the accounting records. Such policy would identify errors and needed corrections before the claims are submitted to the Department of Housing and Community Development. <u>Status</u> Implemented.

COUNTY OF YUBA

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2009

<u>Program</u>	<u>Status of Prior Year Audit Findings</u>
Finding 07-SA-1	<i>Federal Grantor: U.S. Department of Health and Human Services</i>
Temporary Assistance for Needy Families CFDA 93.558	<i>Pass-Through Entity: State Department of Social Services</i>
	<i>Compliance Requirement: Eligibility</i>
	<i>Reporting Requirement: Material Weakness; Material Non-Compliance in Relation to Major Program</i>
Award No. Year: 2006-07	<u>Recommendation</u>
	We recommend that the Department review the facts regarding these exceptions and determine whether (1) they are isolated instances of noncompliance; or (2) procedures might be implemented to prevent recurrence of such errors. If further internal controls can be implemented, we recommend that they be implemented.
	<u>Status</u>
	<i>IEVS:</i>
	Not Implemented. This finding is renumbered 09-SA-3
	<i>60-month Time-on-Aid Limit:</i>
	Implemented.
	<i>Birth Certificate or Alternate Proof of Age and Citizenship:</i>
	Implemented.

COUNTY OF YUBA

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2009

<u>Program</u>	<u>Status of Prior Year Audit Findings</u>
Finding 07-SA-2	<i>Federal Grantor: U.S. Department of Health and Human Services</i>
Medical Assistance Program CFDA 93.778	<i>Pass-Through Entity: State Department of Health Services</i>
Award No. n/a Year: 06/07	<i>Compliance Requirement: Eligibility Reporting Requirement: Material Weakness; Material Non-Compliance in Relation to a Compliance Supplement Audit Objectives</i>

Recommendation

We recommend that the Department review the facts regarding these exceptions and determine whether (1) they are isolated instances of noncompliance; or (2) procedures might be implemented to prevent recurrence of these errors. If further internal controls can be implemented, we recommend that they be implemented.

Status

IEVS:

Not Implemented. This finding is renumbered 09-SA-2.

Documentation of Income:

Partially implemented. The error rate was down from 25% to 6.9% this year. This finding is renumbered 09-SA-2.

Assistance to Non-citizens:

Implemented.

**SUPPLEMENTARY SCHEDULE
OF
THE CALIFORNIA EMERGENCY
MANGAGEMENT AGENCY GRANTS EXPENDITURES**

COUNTY OF YUBA

Schedule of the California Emergency
Management Agency Grants Expenditures
For the Year Ended June 30, 2009

California Emergency Management Agency Grants

The following represents expenditures for California Emergency Management Agency (Cal EMA) programs for the year ended June 30, 2009. The amount reported in the Schedule of Expenditures of Federal Awards is determined by calculating the federal portion o

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2008	For the Year Ended June 30, 2009	Cumulative As of June 30, 2009	Federal Share	State Share	County Share
AT08050580 - Child Abuse Treatment and Advocacy						
Personal services	\$ 113,943	\$ 171,163	\$ 285,106	\$ 137,331	\$ --	\$ 33,832
Operating expenses	--	1,250	1,250	1,250	--	--
Totals	<u>\$ 113,943</u>	<u>\$ 172,413</u>	<u>\$ 286,356</u>	<u>\$ 138,581</u>	<u>\$ --</u>	<u>\$ 33,832</u>
VW08220580 - Victim Witness Assistance Program						
Personal services	\$ --	\$ 117,104	\$ 117,104	\$ 46,848	\$ 70,256	\$ --
Operating expenses	--	6,886	6,886	--	6,886	--
Totals	<u>\$ --</u>	<u>\$ 123,990</u>	<u>\$ 123,990</u>	<u>\$ 46,848</u>	<u>\$ 77,142</u>	<u>\$ --</u>
SE08180580 - Special Emphasis Victim Program						
Personal services	\$ --	\$ 115,941	\$ 115,941	\$ 92,566	\$ --	\$ 23,375
Operating expenses	--	934	934	934	--	--
Totals	<u>\$ --</u>	<u>\$ 116,875</u>	<u>\$ 116,875</u>	<u>\$ 93,500</u>	<u>\$ --</u>	<u>\$ 23,375</u>
EA08110580 - Elder Abuse and Advocacy Program						
Personal services	\$ 91,665	\$ 38,608	\$ 130,273	\$ 30,678	\$ --	\$ 7,930
Operating expenses	1,063	308	1,371	308	--	--
Totals	<u>\$ 92,728</u>	<u>\$ 38,916</u>	<u>\$ 131,644</u>	<u>\$ 30,986</u>	<u>\$ --</u>	<u>\$ 7,930</u>
DC08210580 - Yuba County Drug Impact Program						
Personal services	\$ 45,177	\$ 45,034	\$ 90,211	\$ 45,034	\$ --	\$ --
Operating expenses	90,381	88,347	178,728	88,347	--	--
Totals	<u>\$ 135,558</u>	<u>\$ 133,381</u>	<u>\$ 268,939</u>	<u>\$ 133,381</u>	<u>\$ --</u>	<u>\$ --</u>

**SUPPLEMENTARY SCHEDULES
OF THE DEPARTMENT
OF
COMMUNITY SERVICES
AND DEVELOPMENT
GRANT REVENUES AND EXPENDITURES**

COUNTY OF YUBA

Supplemental Statement of Revenue and Expenditures
 CSD Contract No. 08F-4948 -- Sutter County CSBG - \$243,054
 For The Period January 1, 2008 through December 31, 2008

	January 1, 2008 through June 30, 2008	July 1, 2008 through December 31, 2008	Totals
<u>Revenue</u>			
Grant revenue	\$ 112,072	\$ 130,982	\$ 243,054
Interest income	229	494	723
	<hr/>	<hr/>	<hr/>
Total Revenue	<u>\$ 112,301</u>	<u>\$ 131,476</u>	<u>\$ 243,777</u>
 <u>Expenditures</u>			
Administrative Costs:			
Salaries and wages	\$ 6,240	\$ 7,310	\$ 13,550
Fringe benefits	2,132	2,489	4,621
Other costs	3,781	7,217	10,997
Subtotal Administrative Costs	<hr/> 12,152	<hr/> 17,015	<hr/> 29,167
 Program Costs:			
Subcontractor services	70,263	144,347	214,610
Subtotal Program Costs	<hr/> 70,263	<hr/> 144,347	<hr/> 214,610
	<hr/>	<hr/>	<hr/>
Total Expenditures	<u>\$ 82,415</u>	<u>\$ 161,362</u>	<u>\$ 243,777</u>

COUNTY OF YUBA

Supplemental Statement of Revenue and Expenditures
 CSD Contract No. 08F-4948 -- Sutter County CSBG - \$255,965
 For The Period January 1, 2009 through December 31, 2009

	January 1, 2009 through <u>June 30, 2009</u>	July 1, 2009 through <u>December 31, 2009</u>	<u>Totals</u>
<u>Revenue</u>			
Grant revenue	\$ 49,281	\$ --	\$ 49,281
Interest income	333	--	333
	<hr/>	<hr/>	<hr/>
Total Revenue	<u>\$ 49,613</u>	<u>\$ --</u>	<u>\$ 49,613</u>
 <u>Expenditures</u>			
Administrative Costs:			
Salaries and wages	\$ 5,818	\$ --	\$ 5,818
Fringe benefits	2,279	--	2,279
Other costs	4,135	--	4,135
Subtotal Administrative Costs	<hr/> 12,232	<hr/> --	<hr/> 12,232
 Program Costs:			
Other costs	32,906	--	32,906
Subtotal Program Costs	<hr/> 32,906	<hr/> --	<hr/> 32,906
	<hr/>	<hr/>	<hr/>
Total Expenditures	<u>\$ 45,138</u>	<u>\$ --</u>	<u>\$ 45,138</u>

COUNTY OF YUBA

Supplemental Statement of Revenue and Expenditures
CSD Contract No. 08F-4953 -- Yuba County CSBG - \$243,054
For The Period January 1, 2008 through December 31, 2008

	January 1, 2008 through June 30, 2008	July 1, 2008 through December 31, 2008	Totals
<u>Revenue</u>			
Grant revenue	\$ 110,208	\$ 132,846	\$ 243,054
Interest income	522	671	1,193
Total Revenue	<u>\$ 110,731</u>	<u>\$ 133,517</u>	<u>\$ 244,247</u>
<u>Expenditures</u>			
Administrative Costs:			
Salaries and wages	\$ 11,862	\$ 24,985	\$ 36,847
Fringe benefits	3,757	8,105	11,862
Other costs	4,989	5,538	10,527
Subtotal Administrative Costs	<u>20,608</u>	<u>38,628</u>	<u>59,236</u>
Program Costs:			
Consultant services	53,461	131,550	185,011
Subtotal Program Costs	<u>53,461</u>	<u>131,550</u>	<u>185,011</u>
Total Expenditures	<u>\$ 74,069</u>	<u>\$ 170,178</u>	<u>\$ 244,247</u>

COUNTY OF YUBA

Supplemental Statement of Revenue and Expenditures
 CSD Contract No. 08F-4953 -- Yuba County CSBG - \$256,036
 For The Period January 1, 2009 through December 31, 2009

	January 1, 2009 through June 30, 2009	July 1, 2009 through December 31, 2009	Totals
<u>Revenue</u>			
Grant revenue	\$ 47,975	\$ --	\$ 47,975
Interest income	645	--	645
	<hr/>	<hr/>	<hr/>
Total Revenue	<u>\$ 48,621</u>	<u>\$ --</u>	<u>\$ 48,621</u>
 <u>Expenditures</u>			
Administrative Costs:			
Salaries and wages	\$ 11,283	\$ --	\$ 11,283
Fringe benefits	3,970	--	3,970
Other costs	2,876	--	2,876
	<hr/>	<hr/>	<hr/>
Subtotal Administrative Costs	<u>18,130</u>	<u>--</u>	<u>18,130</u>
 Program Costs:			
Subcontractor services	31,600	--	31,600
	<hr/>	<hr/>	<hr/>
Subtotal Program Costs	<u>31,600</u>	<u>--</u>	<u>31,600</u>
	<hr/>	<hr/>	<hr/>
Total Expenditures	<u>\$ 49,730</u>	<u>\$ --</u>	<u>\$ 49,730</u>