

COUNTY OF YOLO, CALIFORNIA

**Single Audit Report
(OMB Circular A-133)**

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

COUNTY OF YOLO, CALIFORNIA

SINGLE AUDIT REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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**INDEPENDENT AUDITORS' 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**

Honorable Board of Supervisors
County of Yolo, California

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Yolo, California (County), as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 21, 2011. We did not express an opinion on the aggregate discretely presented component units because the financial statements of Yolo County Housing (YCH) have not been audited, and we were not engaged to audit the YCH's financial statements as part of our audit of the County's basic financial statements. Because YCH's financial statements have not been audited, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the financial statements of the aggregate discretely presented component units. Our report was modified to include an explanatory paragraph regarding the County's General Fund Balance condition and the County's adoption of the provisions of GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34* in 2010. Except as discussed above, 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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 certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as item 2010-01 that we consider to be a significant deficiency in internal control over financial reporting. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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*.

We noted certain matters that we reported to management of the County of Yolo in a separate letter dated March 21, 2011.

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 them.

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

Vavrinick, Trine, Day & Co. LLP

Sacramento, California
March 21, 2011



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE, ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS IN ACCORDANCE WITH OMB CIRCULAR A-133, AND SUPPLEMENTARY SCHEDULE OF COMMUNITY SERVICES BLOCK GRANTS

Honorable Board of Supervisors
County of Yolo, California

Compliance

We have audited the County of Yolo's, California (County) compliance with the types of compliance requirements described in the *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 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.

As described in item 2010-14 in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding eligibility that are applicable to its Medicaid Cluster – In-Home Supportive Housing Program (ARRA). Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to this program.

In our opinion, except for the noncompliance described in the preceding paragraph, the County 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, 2010.

The results of our auditing procedures also 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 2010-02 through 2010-04, 2010-06 through 2010-10 and 2010-12 through 2010-13.

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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2010-14 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2010-02 through 2010-09, 2010-11 and 2010-13 to be significant deficiencies.

Schedule of Expenditures of Federal Awards and Supplemental Schedule of Community Services Block Grants

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Yolo, California, as of and for the year ended June 30, 2010, and have issued our report thereon dated March 21, 2011. We did not express an opinion on the aggregate discretely presented component units because the financial statements of Yolo County Housing (YCH) have not been audited, and we were not engaged to audit the YCH's financial statements as part of our audit of the County's basic financial statements. Because YCH's financial statements have not been audited, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the financial statements of the aggregate discretely presented component units. Our report was modified to include an explanatory paragraph regarding the County's General Fund Balance condition and the County's adoption of the provisions of GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34* in 2010. 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 and supplemental schedule of Community Services Block Grants are presented for purposes of additional analysis as required by *OMB Circular A-133* and the California Department of Community Services and Development and are 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 them.

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

Vavrinik, Trine, Day & Co. LLP

Sacramento, California

March 30, 2011, except for the schedule of expenditures of federal awards and supplementary schedule of Community Services Block Grants, as to which the date is March 21, 2011.

COUNTY OF YOLO, CALIFORNIA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture</u>			
Direct Program			
Community Facilities Loans and Grants.	10.766	04-057-770719445	\$ 175,000
Rural Business Enterprise Grants	10.769	04-068-941023334	33,110
			<u>208,110</u>
Supplemental Nutrition Assistance Program Cluster: [1]			
Passed through State of California Department of Social Services			
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561	--	1,995,496
ARRA-State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561	--	55,446
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561	07-65346	58,046
Passed through HEAL Collaborative			
HEAL Collaborative	10.561	12-08-08	428
Total SNAP Cluster [1]			<u>2,109,416</u>
Passed through State of California Department of Food and Agriculture			
Plant and Animal Disease, Pest Control and Animal Care	10.225	--	72,525
Passed through State of California Department of Education			
Special Milk Program for Children	10.556	--	121,358
Passed through State of California Department of Health Services			
Special Supplemental Fund Program - WIC	10.557	08-85489	1,078,399
Special Supplemental Fund Program - WIC Vouchers	10.557	--	3,662,813
			<u>4,741,212</u>
Total U.S. Department of Agriculture			<u>7,252,621</u>
<u>U.S. Department of Energy</u>			
Passed through University of Delaware			
Intelligent Bioreactor Management Information System (IBM-IS) for Mitigation of Green House Gas Emissions	81.DE-FC26-05NT4232	DE-FC26-05NT4232	94,919
<u>U.S. Department of Defense</u>			
Direct Program			
Community Economic Adjustment Assistance for Establishment, Expansion, Realignment, or closure of military installation	12.607	FA8903-09-2-0001	154,610
<u>U.S. Department of Housing and Urban Development</u>			
Passed through State of California Department of Housing and Community Development			
Community Development Block Grant/State's Program	14.228	08-STBG-4764	504,839
<u>U.S. Department of the Interior</u>			
Passed through the State of California Controller's Office			
Distribution of Receipts to State and Local Governments	15.227	--	93
Passed through Beaura of Reclamation			
Fish and Wildlife Coordination Act	15.517	06FG202100/R10AP20649	38,660
Total U.S. Department of the Interior			<u>38,753</u>

[1] Denotes a major Federal financial assistance program.

See accompanying notes to schedule of expenditures of federal awards.

COUNTY OF YOLO, CALIFORNIA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
<u>U.S. Department of Justice</u>			
Direct Program			
State Criminal Alien Assistance Program	16.606	--	\$ 154,851
Bulletproof Vest Partnership Program	16.607	--	3,153
Drug Court Descretionary Grant Program	16.585	2009-DC-BX-0022	81,156
Edward Byrne Memorial Justice Grant Program - 2009	16.738	2009-OS-WX-0027	32,051
Edward Byrne Memorial Justice Grant Program - 2009	16.738	2009-DJ-BX-0924	84,591
ARRA- Recovery Act-Edward Byrne Memorial Competivite Grants - 2009	16.808	2009-SC-B9-0059	<u>469,673</u>
Total Direct Programs			<u>825,475</u>
Passed through State of California Department of Corrections and Rehabilitation			
Juvenile Accountability Incentive Block Grants	16.523	CSA 120-09	25,383
Juvenile Justice and Delinquency Prevention Allocations to States	16.540	CSA 363-09	<u>18,095</u>
			<u>43,478</u>
Passed through National Association of VOCA Assistance Administrators			
Crime Victim Assistance/Discretionary Grants	16.582	10-039	<u>5,000</u>
Passed through City of Davis			
ARRA-Edward Byne Memorial Justice Assistanc Grant (JAG)	16.804	--	<u>11,733</u>
Passed through State of California Emergency Management Agency			
ARRA-Edward Byne Memorial Justice Assistanc Grant (JAG)	16.804	ZA09010570	48,555
ARRA-Edward Byne Memorial Justice Assistanc Grant (JAG)	16.804	ZP09010570	138,862
ARRA-Edward Byne Memorial Justice Assistanc Grant (JAG)	16.804	ZO09010570	71,594
Crime Victim Assistance	16.575	VW09260570	86,235
Edward Byrne Memorial Justice Grant Program	16.738	DC09200570	233,511
ARRA-State Victim Assist Formula Grant Prg	16.801	VS09010570	18,159
ARRA-Violence Against Women Formula Grants	16.588	PR09010570	188,550
ARRA-Violence Against Women Formula Grants	16.588	RV09010570	<u>12,231</u>
			<u>797,697</u>
Total U.S. Department of Justice			<u>1,683,383</u>
<u>U.S. Department of Labor</u>			
Workforce Investment Act Cluster:			
Passed through State of California Department of Employment Development			
WIA Adult Program	17.258	--	497,353
WIA Youth Activities	17.259	--	780,329
WIA Dislocated Worker	17.260	--	677,052
ARRA-WIA Adult Program	17.258	--	191,136
ARRA-WIA Youth Activities	17.259	--	727,468
ARRA-WIA Dislocated Worker	17.260	--	<u>309,068</u>
Total Workforce Investment Act Cluster [1]			<u>3,182,406</u>
Total U.S. Department of Labor			<u>3,182,406</u>
<u>U.S. Department of Transportation</u>			
Direct Program			
Airport Improvement Program [1]	20.106	3-06-0342-08	7,885
Airport Improvement Program [1]	20.106	3-06-0342-10	228,070
Airport Improvement Program [1]	20.106	3-06-0342-12	311,932
ARRA-Airport Improvement Program [1]	20.106	3-06-0342-11	<u>900,893</u>
			<u>1,448,780</u>

[1] Denotes a major Federal financial assistance program.

See accompanying notes to schedule of expenditures of federal awards.

COUNTY OF YOLO, CALIFORNIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
Highway Planning and Construction Cluster:			
Passed through State of California Department of Transportation			
Highway Planning and Construction	20.205	STPCMLL 5922 (055)	\$ 175
Highway Planning and Construction	20.205	BRLO 5922 (031)	53,508
Highway Planning and Construction	20.205	BRLO 5922 (037)	1,011
Highway Planning and Construction	20.205	BRLO 5922 (066)	20,370
Highway Planning and Construction	20.205	STPL 5922 (047)	533,328
Highway Planning and Construction	20.205	STPL 5922 (058)	56
Highway Planning and Construction	20.205	BRLOZE 5922 (034)	598,473
Highway Planning and Construction	20.205	BRLO 5922 (044)	379
Highway Planning and Construction	20.205	SPOA 5922 (068)	2,576
Highway Planning and Construction	20.205	BRLO 5922 (050)	1,894
Highway Planning and Construction	20.205	RPSTPL 5922 (054)	3,163
Highway Planning and Construction	20.205	RPSTPL 5922 (082)	30,100
ARRA-Highway Planning and Construction	20.205	ESPL 5922 (085)	907,937
ARRA-Highway Planning and Construction	20.205	ESPL 5922 (084)	368,568
Highway Planning and Construction	20.205	HSIPL 5922 (081)	32,706
Highway Planning and Construction	20.205	HRRRL 5922 (076)	81,972
Highway Planning and Construction	20.205	BRLO 5922 (059)	26,550
Highway Planning and Construction	20.205	HRRRL 5922 (075)	45,000
ARRA-Highway Planning and Construction	20.205	ESPLSTP 5922 (087)	37,212
Highway Planning and Construction	20.205	SPOA 5922 (086)	48,565
Highway Planning and Construction	20.205	STPL 5922 (064)	49,761
Total Highway Planning and Construction Cluster [1]			2,843,304
Highway Safety Cluster:			
Passed through City of Davis			
State and Community Highway Safety	20.600	AL0937	12,948
Total Highway Safety Cluster			12,948
Total U.S. Department of Transportation			
			4,305,032
<u>Institute of Museum and Library Services</u>			
Direct Program			
National Leadership Grants	45.312	CL-00-08-0026-08	46,821
Passed through California State Library			
Public Library Staff Education Program	45.310	40-7078	25,000
Public Library Staff Education Program	45.310	40-7310	5,000
Public Library Staff Education Program	45.310	40-7453	15,000
Public Library Staff Education Program	45.310	40-7484	5,000
Public Library Staff Education Program	45.310	40-7380	3,390
			53,390
Total Institute of Museum and Library Services			100,211

[1] Denotes a major Federal financial assistance program.

See accompanying notes to schedule of expenditures of federal awards.

COUNTY OF YOLO, CALIFORNIA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Veterans Administration</u>			
Passed through State of California Department of Veterans Affairs Burial Expenses Allowance for Veterans	64.101	--	\$ 300
<u>U.S. Environmental Protection Agency</u>			
Direct Program Brownfields Assessment and Cleanup Cooperative Agreement	66.818	BF-96942301-0	44,898
<u>U.S. Department of Education</u>			
Passed through Tulare County Office of Education Safe and Drug Free Schools and Communities State Grants	84.186	--	31,440
Passed through Woodland Joint Unified School District Safe and Drug Free Schools and Communities National Program	84.184	--	81,860
Passed through Yolo County Office of Education Safe and Drug Free Schools and Communities National Program	84.184	--	47,384
Passed through Yolo Family Resource Center Twenty First Century Community Learning Centers	84.287	--	5,300
Passed through Yolo County Office of Education Special Education Grants to States	84.027	--	501,992
Total U.S. Department of Education			667,976
<u>U.S. Department of Health and Human Services</u>			
Direct program			
Public Health Emergency Preparedness	93.069	--	972,513
Unaccompanied Alien Children Program [1]	93.676	HHSP2332008290 7YB	2,207,771
Total Direct Programs			3,180,284
Passed through Area 4 Agency on Aging Special Programs For the Aging Title III, Part 3 Grants for Supportive Services and senior centers	93.044	72-05-57-10	31,891
Passed through State of California Department of Alcohol and Drug Abuse Programs Substance Abuse Prevention & Treatment Block Grants (SAPT)	93.959	07-NNA57	847,583
Passed through State of California Department of Child Support Services Child Support Enforcement	93.563	--	3,405,878
ARRA-Child Support Enforcement	93.563	--	649,665
			4,055,543
TANF Cluster			
Passed through State Department of Social Services Temporary Assistance for Needy Families (TANF)	93.558	--	17,601,792
ARRA-Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Programs	93.714	--	233,912
Total TANF Cluster [1]			17,835,704

[1] Denotes a major Federal financial assistance program.

See accompanying notes to schedule of expenditures of federal awards.

COUNTY OF YOLO, CALIFORNIA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
Passed through State Department of Social Services			
Promoting Safe and Stable Families	93.556	--	\$ 153,358
Refugee and Entrant Assistance - State Administered Programs	93.566	--	64,462
Community-Based Child Abuse Prevention Grants	93.590		26,661
Child Welfare Services – State Grants	93.645	--	136,528
Foster Care – Title IV-E [1]	93.658	--	4,496,706
ARRA-Foster Care – Title IV-E [1]	93.658	--	281,795
Adoption Assistance [1]	93.659	--	3,723,333
ARRA-Adoption Assistance [1]	93.659	--	417,686
Social Service Block Grant (Title XX)	93.667	--	1,023,202
CHAFFE Foster Care Independent Living	93.674	--	78,507
			10,402,238
Community Services Block Grant Cluster			
Passed through State Department of Community Services and Development			
Community Services Block Grant	93.569	08F-4952	131,131
Community Services Block Grant	93.569	10F-4054	102,884
ARRA - Community Services Block Grant	93.710	09F-5182	14,300
ARRA - Community Services Block Grant	93.710	09F-5154	294,027
Total Community Services Block Grant Cluster [1]			542,342
Medicaid Cluster:			
Passed through State of California Department of Veterans Affairs			
Medical Assistance Program	93.778	--	2,951
Passed through State of California Department of Health Services			
Medical Assistance Program	93.778	--	5,366,296
Passed through State of California Department of Social Services			
In-Home Supportive Services	93.778	--	1,572,254
ARRA-In-Home Supportive Services	93.778	--	106,395
Total Medicaid Cluster [1]			7,047,896
Passed through State of California Department of Health Services			
Project Grants and Cooperative Agreements for Tuberculosis			
Control Programs	93.116	TBCSGF-90-57	5,000
Childhood Lead Poisoning Prevention Program (CLPPP)	93.197	08-85104	14,006
Immunization Cluster:			
Immunization Grants	93.268	09-85335	37,188
ARRA-Immunization Grants	93.712	09-11312	31,000
Total Immunization Cluster			68,188
State Children's Insurance Program	93.767	--	22,987
National Bioterrorism Hospital Preparedness Program	93.889	--	48,877
Maternal and Child Health Services Block Grant	93.994	--	150,164
Preventive Health Services Sexually Transmitted Diseases Control Grants	93.977	09-11162	100
Subtotal			309,322
Passed through the State Department of Mental Health			
Projects for Assistance in Transition from Homelessness (PATH)	93.150	--	30,770
Substance Abuse and Mental Health Services Projects of Regionally and National Significance	93.243	5H79TI017237-03	506,529
Block Grants for Community Health Services (SAMHSA)	93.958	--	236,337
Subtotal			773,636
Passed through Governors Office of Emergency Services			
Childrens Justice Grants to States	93.643	EF08030570	27,903
			27,903
Passed through Yolo County Office of Education			
Head Start	93.600	--	16,000
Passed through Sierra Sacramento Valley EMS Agency			
National Bioterrorism Hospital Preparedness Program	93.889	--	15,156
Total U.S. Department of Health and Human Services			45,085,498

[1] Denotes a major Federal financial assistance program.

See accompanying notes to schedule of expenditures of federal awards.

COUNTY OF YOLO, CALIFORNIA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal Expenditures</u>
<u>Social Security Administration</u>			
Direct Program			
Supplemental Security Income - Inmate Reporting Incentive	96.006	--	\$ 34,200
<u>U.S. Department of Homeland Security</u>			
Direct Programs:			
Assistance to Firefighters Grant	97.044	EMW-2008-FO-01999	81,550
			<u>81,550</u>
Passed through State Department of Boating and Waterways			
Boating and Safety Financial Assistance	97.012	09-204-812	31,982
Boating and Safety Financial Assistance	97.012	09-204-772	5,812
			<u>37,794</u>
Passed through State of California Emergency Management Agency			
Emergency Management Performance Grants	97.042	2009-15	102,970
State Homeland Security Grant Cluster:			
State Homeland Security Program	97.073	07HSGP-SHSP	18,280
State Homeland Security Program	97.073	08HSGP-SHSP	183,247
Law Enforcement Terrorism Prevention Program	97.074	07HSGP-LETPP	23,952
Total State Homeland Security Grant Cluster			<u>225,479</u>
Total U.S. Department of Homeland Security			<u>447,793</u>
Total Expenditures of Federal Awards			<u>\$ 63,597,439</u>

[1] Denotes a major Federal financial assistance program.

See accompanying notes to schedule of expenditures of federal awards.

COUNTY OF YOLO, CALIFORNIA

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the County of Yolo. The County of Yolo'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 government agencies are included in the schedule.

B. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting except for programs recorded in the County's enterprise funds, which are presented using the accrual basis of accounting, which is described in Note 2 to the County's basic financial statements. 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*.

C. Relationship to Basic 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.

D. Federal Catalog of Federal Domestic Assistance (CFDA) Numbers

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

E. 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 has 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.

COUNTY OF YOLO, CALIFORNIA

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

NOTE #2 – AMOUNT PROVIDED TO SUBRECIPIENTS

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

CFDA No.	County Program Title	Pass-Through Entity	Amount
14.228	Community Development Block Grant/State's Program	Davis Community Meal Resource Center	\$ 45,790
14.228	Community Development Block Grant/State's Program	United Christian Centers	62,338
14.228	Community Development Block Grant/State's Program	Yolo Wayfarer Center	52,042
17.259	WIA Youth Services Activities	Rise	157,815
93.558	Temporary Assistance for Needy Families	City of Davis	2,772,879
93.569	Community Services Block Grant	Davids Community Meals	5,062
93.569	Community Services Block Grant	Davis Community Meal Resource Center	18,964
93.710	Community Services Block Grant-ARRA	Davis Community Meal Resource Center	6,099
93.569	Community Services Block Grant	Food Bank of Yolo County	17,765
93.569	Community Services Block Grant	Food Bank of Yolo County	14,286
93.569	Community Services Block Grant	People Resources, Inc.	9,000
93.569	Community Services Block Grant	Peoples Resources, Inc.	9,000
93.710	Community Services Block Grant-ARRA	Rise	28,065
93.710	Community Services Block Grant-ARRA EITC	Rise	3,698
93.710	Community Services Block Grant-ARRA	Sexual Assault & Domestic Violence	15,846
93.710	Community Services Block Grant-ARRA	United Christian Centers	17,301
93.569	Community Services Block Grant	United Christian Centers	5,092
93.569	Community Services Block Grant	United Christian Centers	15,738
93.569	Community Services Block Grant	United Christian Centers-Day shelter	4,588
93.569	Community Services Block Grant	United Christian Centers-Transitional	15,523
93.569	Community Services Block Grant	Yolo Wayfarer Center	5,000
93.569	Community Services Block Grant	Yolo Wayfarer Center	8,648
93.710	Community Services Block Grant-ARRA	Yolo Wayfarer Center	32,308
93.569	Community Services Block Grant	Yolo Wayfarer Center	18,580
Total			\$ 3,341,427

NOTE #3 – LOANS OUTSTANDING

The programs listed below had the following aggregate, federally-funded loans receivable outstanding at June 30, 2010. Other than repayment of principal and interest, there is no continuing compliance requirements on these loans, and as such, are not reported on the Schedule of Expenditure of Federal Awards:

CFDA No.	Program Title	Amount
14.228	Community Development Block Grant/State's Program	\$ 3,618,555

COUNTY OF YOLO, CALIFORNIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE #4 – CALIFORNIA EMERGENCY MANAGEMENT AGENCY GRANT

The following represents expenditures for California Emergency Management Agency (CALEMA) programs for the year ended June 30, 2010. The amount reported in the Schedule of Expenditures of Federal Awards is determined by calculating the federal portion of the current year expenditures.

State of California Emergency Management Agency Grants

	Expenditures Claimed			Share of Expenditures				
		For the Period	For the Year	Current Year			Total	
	Budget	Through 30-Jun-09	Ended 30-Jun-10	Cummulative as of 30-Jun-10	Federal Share	State Share		County Share
<u>Award: VW09260570, Yolo County Victim/Witness Assistance Center</u>								
<u>Grant Period: 7/1/2009 to 6/30/2010</u>								
<u>Audit Period: 7/1/2009 to 6/30/2010</u>								
Personal services	\$ 189,763	\$ -	\$ 189,763	\$ 189,763	\$ 86,235	\$ 103,528	\$ -	\$ 189,763
Operating expenses	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-
Totals	<u>\$ 189,763</u>	<u>\$ -</u>	<u>\$ 189,763</u>	<u>\$ 189,763</u>	<u>\$ 86,235</u>	<u>\$ 103,528</u>	<u>\$ -</u>	<u>\$ 189,763</u>
<u>Award: RV09010570, V/W - VAWA Stimulus Program</u>								
<u>Grant Period: 7/1/2009 to 6/30/2010</u>								
<u>Audit Period: 7/1/2009 to 6/30/2010</u>								
Personal services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating expenses	16,308	-	16,308	16,308	12,231	-	4,077	16,308
Equipment	-	-	-	-	-	-	-	-
Totals	<u>\$ 16,308</u>	<u>\$ -</u>	<u>\$ 16,308</u>	<u>\$ 16,308</u>	<u>\$ 12,231</u>	<u>\$ -</u>	<u>\$ 4,077</u>	<u>\$ 16,308</u>
<u>Award: VS09010570 Recovery VOCA Stimulus</u>								
<u>Grant Period: 7/1/2009 to 6/30/2010</u>								
<u>Audit Period: 7/1/2009 to 6/30/2010</u>								
Personal services	\$ 22,699	\$ -	\$ 22,699	\$ 22,699	\$ 18,159	\$ -	\$ 4,540	\$ 22,699
Operating expenses	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-
Totals	<u>\$ 22,699</u>	<u>\$ -</u>	<u>\$ 22,699</u>	<u>\$ 22,699</u>	<u>\$ 18,159</u>	<u>\$ -</u>	<u>\$ 4,540</u>	<u>\$ 22,699</u>
<u>Award: EF08030570, Forensic Evaluation Program</u>								
<u>Grant Period: 1/1/2009 to 12/31/2009</u>								
<u>Audit Period: 7/1/2009 to 6/30/2010</u>								
Personal services	\$ 31,593	\$ 15,251	\$ 16,342	\$ 31,593	\$ 31,593	\$ -	\$ -	\$ 31,593
Operating expenses	18,407	6,846	11,561	18,407	18,407	-	-	18,407
Equipment	-	-	-	-	-	-	-	-
Totals	<u>\$ 50,000</u>	<u>\$ 22,097</u>	<u>\$ 27,903</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,000</u>

COUNTY OF YOLO, CALIFORNIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE #4 – CALIFORNIA EMERGENCY MANAGEMENT AGENCY GRANT, (CONTINUED)

Budget	Expenditures Claimed			Share of Expenditures Current Year				
	For the Period Through 30-Jun-09	For the Year Ended 30-Jun-10	Cummulative as of 30-Jun-10	Federal Share	State Share	County Share	Total	
<u>Award: VB08060570, Yolo County Vertical Prosecution Program</u>								
<u>Grant Period: 7/1/2008 to 6/30/2011</u>								
<u>Audit Period: 7/1/2009 to 6/30/2010</u>								
Personal services	\$ 480,577	\$ 219,350	\$ 261,227	\$ 480,577	\$ -	\$ 480,577	\$ -	\$ 480,577
Operating expenses	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-
Totals	<u>\$ 480,577</u>	<u>\$ 219,350</u>	<u>\$ 261,227</u>	<u>\$ 480,577</u>	<u>\$ -</u>	<u>\$ 480,577</u>	<u>\$ -</u>	<u>\$ 480,577</u>
<u>Award: DC09290570, Yolo County Narcotics Team</u>								
<u>Grant Period: 7/1/2009 to 6/30/2010</u>								
<u>Audit Period: 7/1/2009 to 6/30/2010</u>								
Personal services	\$ 221,011	\$ -	\$ 221,011	\$ 221,011	\$ -	\$ -	\$ 221,011	
Operating expenses	12,500	-	12,500	12,500	-	-	12,500	
Equipment	-	-	-	-	-	-	-	
Totals	<u>\$ 233,511</u>	<u>\$ -</u>	<u>\$ 233,511</u>	<u>\$ 233,511</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 233,511</u>	
<u>Award: ZA09010570, Anti-Drug Abuse Enforcement Team Recovery Act</u>								
<u>Grant Period: 3/1/2010 to 2/28/2012</u>								
<u>Audit Period: 7/1/2009 to 6/30/2010</u>								
Personal services	\$ 181,038	\$ -	\$ 48,526	\$ 48,526	\$ -	\$ -	\$ 48,526	
Operating expenses	155,085	-	29	29	29	-	29	
Equipment	-	-	-	-	-	-	-	
Totals	<u>\$ 336,123</u>	<u>\$ -</u>	<u>\$ 48,555</u>	<u>\$ 48,555</u>	<u>\$ 48,555</u>	<u>\$ -</u>	<u>\$ 48,555</u>	
<u>Award: MH07020570, Cal-MMET</u>								
<u>Grant Period: 1/1/2009 to 6/30/2011</u>								
<u>Audit Period: 7/1/2009 to 6/30/2010</u>								
Personal services	\$ 128,798	\$ 15,054	\$ 113,744	\$ 128,798	\$ -	\$ 128,798	\$ -	\$ 128,798
Operating expenses	1,154,322	405,485	722,360	1,127,845	-	1,127,845	-	1,127,845
Equipment	274,812	62,022	206,871	268,893	-	268,893	-	268,893
Totals	<u>\$ 1,557,932</u>	<u>\$ 482,561</u>	<u>\$ 1,042,975</u>	<u>\$ 1,525,536</u>	<u>\$ -</u>	<u>\$ 1,525,536</u>	<u>\$ -</u>	<u>\$ 1,525,536</u>

COUNTY OF YOLO, CALIFORNIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE #4 – OFFICE OF EMERGENCY SERVICES GRANT, (CONTINUED)

Budget	Expenditures Claimed			Share of Expenditures Current Year			
	For the Period Through 30-Jun-09	For the Year Ended 30-Jun-10	Cummulative as of 30-Jun-10	Federal Share	State Share	County Share	Total
<u>Award: ZO09010570, Substance Abuse Treatment for Offenders</u>							
<u>Grant Period: 10/1/2009 to 3/31/2011</u>							
<u>Audit Period: 7/1/2009 to 6/30/2010</u>							
Personal services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating expenses	314,307	-	71,594	71,594	-	-	71,594
Equipment	-	-	-	-	-	-	-
Totals	<u>\$ 314,307</u>	<u>\$ -</u>	<u>\$ 71,594</u>	<u>\$ 71,594</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 71,594</u>
<u>Award: ZP0901570, Evidence Based Probation Supervision Recovery Act Program</u>							
<u>Grant Period: 10/1/2009 to 9/30/12</u>							
<u>Audit Period: 7/1/2009 to 6/30/2010</u>							
Personal services	\$ 168,149	\$ -	\$ 68,524	\$ 68,524	\$ -	\$ -	\$ 68,524
Operating expenses	208,433	-	70,338	70,338	-	-	70,338
Equipment	-	-	-	-	-	-	-
Totals	<u>\$ 376,582</u>	<u>\$ -</u>	<u>\$ 138,862</u>	<u>\$ 138,862</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 138,862</u>
<u>Award: PR09010570, Sexual Assault Specialized Unit</u>							
<u>Grant Period: 10/1/2009 to 3/31/2011</u>							
<u>Audit Period: 7/1/2009 to 6/30/2010</u>							
Personal services	\$ 315,616	\$ -	\$ 242,332	\$ 179,657	\$ -	\$ 62,675	\$ 242,332
Operating expenses	29,817	-	23,464	8,893	-	14,571	23,464
Equipment	-	-	-	-	-	-	-
Totals	<u>\$ 345,433</u>	<u>\$ -</u>	<u>\$ 265,796</u>	<u>\$ 188,550</u>	<u>\$ -</u>	<u>\$ 77,246</u>	<u>\$ 265,796</u>

COUNTY OF YOLO, CALIFORNIA

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

NOTE #5 – CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITATION GRANTS

The following represents expenditures for the California Department of Corrections and Rehabilitation programs for the year ended June 30, 2010. The amount reported in the Schedule of Expenditures of Federal Awards is determined by calculating the federal portion of the current year expenditures.

Budget	Expenditures Claimed			Share of Expenditures Current Year			
	For the Period Through 30-Jun-09	For the Year Ended 30-Jun-10	Cummulative as of 30-Jun-10	Federal Share	State Share	County Share	Total
<u>Department of Corrections and Rehabilitation Grant</u>							
<u>CSA 120-09, Juvenile Incentive Vertical Prosecution Unit</u>							
<u>Grant Period: 7/1/2009 to 6/30/2010</u>							
<u>Audit Period: 7/1/2009 to 6/30/2010</u>							
Personal services	\$ 11,402	\$ -	\$ 11,402	\$ 10,262	\$ -	\$ 1,140	\$ 11,402
Operating expenses	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-
Totals	<u>\$ 11,402</u>	<u>\$ -</u>	<u>\$ 11,402</u>	<u>\$ 10,262</u>	<u>\$ -</u>	<u>\$ 1,140</u>	<u>\$ 11,402</u>

The required 10% County match was met. The County match was funded with discretionary General Fund dollars and was used for program salaries and benefits.

CSA 363-09, Enhanced DMC-TAP II Program

Grant Period: 1/1/2010 to 12/31/2010

Audit Period: 7/1/2009 to 6/30/2010

Personal services	\$ 67,636	\$ -	\$ 15,455	\$ 15,455	\$ 15,455	\$ -	\$ -	\$ 15,455
Services and supplies	4,087	-	-	-	-	-	-	-
Professional services	47,000	-	-	-	-	-	-	-
Administrative overh	5,277	-	2,640	2,640	2,640	-	-	2,640
Other	1,000	-	-	-	-	-	-	-
Totals	<u>\$ 125,000</u>	<u>\$ -</u>	<u>\$ 18,095</u>	<u>\$ 18,095</u>	<u>\$ 18,095</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,095</u>

CSA 120-09 AMYVPT, Anger Management & Youth Violence Prevention Training

Grant Period: 7/1/09 to 6/30/11

Audit Period: 7/1/2009 to 6/30/2010

Personal services	-	-	-	-	-	-	-	-
Services and supplies	3,481	-	1,121	1,121	1,121	-	-	1,121
Professional services	27,000	-	14,000	14,000	14,000	-	-	14,000
Administrative overh	1,450	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Totals	<u>31,931</u>	<u>-</u>	<u>15,121</u>	<u>15,121</u>	<u>15,121</u>	<u>-</u>	<u>-</u>	<u>15,121</u>

COUNTY OF YOLO, CALIFORNIA

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

NOTE #6 – DEPARTMENT OF AGING FEDERAL/STATE SHARE

The California Department of Aging (CDA) requires agencies who receive CDA funding to display state-funded expenditures discretely along with federal expenditures. The County expended the following state and federal amounts under these grants:

<u>CFDA No.</u>	<u>Grant No.</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>
93.044	72-05-57-10	<u>\$ 31,891</u>	\$ -

COUNTY OF YOLO, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

I. SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued:

Unqualified, except for the discretely presented component units opinion unit, which was disclaimed

Internal control over financial reporting:

Material weaknesses identified?

No

Significant deficiencies identified?

Yes

Noncompliance material to financial statements noted?

No

FEDERAL AWARDS

Internal control over major programs:

Material weaknesses identified?

Yes

Significant deficiencies identified?

Yes

Type of auditors' report issued on compliance for major programs:

Unqualified for all major programs except for Medicaid Cluster - In-Home Supportive Services (ARRA), which was qualified for eligibility.

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)

Yes

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.561	SNAP Cluster (includes ARRA)
17.258, 17.259 & 17.260	Workforce Investment Act Cluster (includes ARRA)
20.106	Airport Improvement Program (includes ARRA)
20.205	Highway Planning and Construction Cluster (includes ARRA)
93.676	Unaccompanied Alien Children Program
93.558, 93.714	TANF Cluster (includes ARRA)
93.658	Foster Care Program (includes ARRA)
93.659	Adoption Assistance Program (includes ARRA)
93.569, 93.710	Community Services Block Grant Cluster (includes ARRA)
93.778	Medicaid Cluster (includes ARRA)

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 1,907,923

Auditee qualified as low-risk auditee under OMB Circular A-133, Section 530?

No

COUNTY OF YOLO, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

II. FINANCIAL STATEMENT FINDINGS

The following findings represent significant deficiencies, material weaknesses, or instances of noncompliance related to the financial statements that are required to be reported in accordance with generally accepted government auditing standards:

FINDING 2010-01

TIMELY PREPARATION OF THE FINANCIAL STATEMENTS

Criteria:

Management should establish a well-defined process for its annual financial reporting. The process and its key attributes (e.g., overall timing, methodology, segregation of duties, frequency of analyses and review by County management) should be formally documented, approved, and reviewed on a regular basis.

Financial reports are intended to meet the needs of decision makers, including the governing board, bondholders, federal and state oversight agencies, and constituents. Accordingly, *timeliness* was identified as one of the *characteristics of information in financial reporting* in Concepts Statement No. 1 of the Governmental Accounting Standards Board (GASB), *Objectives of Financial Reporting*. To accomplish this objective, financial reports must be available in time to inform decision making. Therefore, financial reports should be published as soon as possible after the end of the reporting period.

Sometimes the need for timeliness has to be balanced against the need for reliability, which also was identified as one of the *characteristics of information in financial reporting* identified in GASB Concepts Statement No. 1. While governments certainly should not sacrifice reliability for timeliness, minor gains in precision ought not to be purchased at the price of indefinite delay (e.g., accounting estimates).

Legislative deadlines for submitting financial statements should be viewed as a minimum standard rather than as an ideal objective. The same holds true for the submission deadlines used by various award programs such as the GFOA's Certificate of Achievement for Excellence in Financial Reporting Program.

The additional cost of timelier financial reporting (e.g., additional staff and overtime) also needs to be considered. The cost to be incurred should never exceed the benefits anticipated.

Condition:

During our testwork over the County's Comprehensive Annual Financial Report (CAFR), we noted the CAFR preparation process is primarily performed by one individual within the general accounting department. The CAFR preparation process is extensive, complex and time consuming. We noted the County needs to increase the personnel involved in the CAFR preparation and review process, which will allow the County to insure the timeliness and reliability of its annual financial statements.

Context:

The condition above was noted during the audit process.

COUNTY OF YOLO, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

II. FINANCIAL STATEMENT FINDINGS

Effect:

The CAFR was not prepared in a timely manner.

Cause:

Due to the County's budget constraints, there is a limited number of County personnel involved in the CAFR preparation.

Recommendation:

This is a repeat condition from the FY 2009 audit - We recommend the County implement policies and procedures to ensure its annual financial statements are issued timely. In addition, we recommend that the County involve more personnel or resources toward the preparation of the CAFR.

View of responsible official and planned corrective action:

We agree that the annual financial statements should be issued more timely and that more resources should be devoted to the task of preparing this report. We are aware of the negative effect of a continuing late report. We determined that additional resources for this activity can only come from the internal audit unit. Given the severe budgetary constraints in the county we will analyze the trade-off between internal auditing and timely financial report and allocate staff to these two important activities according to their priorities. We will also continue to look for ways to realize more efficiencies in the financial reporting process.

COUNTY OF YOLO, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

The following findings represent significant deficiencies, material weaknesses, and/or instances of noncompliance including questioned costs that are required to be reported by OMB Circular A-133, section .510(a).

FINDING 2010-02

Program: Supplemental Nutrition Assistance Program Cluster (Including ARRA)

CFDA No.: 10.561

Federal Agency: Department of Agriculture

Passed-through: State of California Department of Social Services

Award Year: Fiscal year 2009-2010

Compliance Requirement: Special Tests and Provisions – ADP System for SNAP

Criteria:

The *June 2010 Office of Budget and Management (OMB) OMB Circular A-133 Compliance Supplement* requires that the County utilize the Income and Eligibility Verification System (IEVS) to verify eligibility using wage information available from such agencies as the agencies administering State unemployment compensation laws, Social Security Administration, and the Internal Revenue Services to verify income eligibility and the amount of eligible benefits.

Caseworkers are required to utilize the Income Eligibility Verification System (IEVS) to verify the eligibility of individuals to receive SNAP benefits. The IEVS reports are required to be updated by the caseworkers in CalWIN as evidence of their review of income eligibility.

Condition Found:

Significant Deficiency, Instances of Non-Compliance - Of the 60 cases selected for test work, we noted 2 cases where supporting documentation was not available to demonstrate income verification through the Income Eligibility Verification System (IEVS).

Questioned Costs:

Our sample resulted in known questioned costs of \$1,518 which represents the benefit payments for the two transactions with noted exceptions.

Context:

The County is required to maintain supporting documentation to support eligibility determination within a computerized system.

Effect:

Case data may not be current or accurately reported in the CalWIN system, which could lead to initial and continuation eligibility errors, inaccurate benefit calculations, and benefit overpayments. This situation could also result in potential fines from the State of California for excessive error rate percentages.

COUNTY OF YOLO, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Cause:

The condition is primarily caused by the County not following its established policies and procedures to ensure that documentation supporting eligibility determinations are maintained within the computerized system.

Recommendation:

We noted this is a repeat condition as a result of the FY 2009 Single Audit.

While the County has improved its documentation of eligibility and other case file date within CalWIN, we recommend that the County continue to clarify its established policies and procedures with regard to the review of IEVS.

Views of Responsible Officials and Planned Corrective Actions:

DESS continues to make progress in this area and will continue with our requiring supervisors to randomly pull 5 cases per month per worker to ensure IEVS compliance. IEVS compliance is also an area that is reviewed when a full case review is conducted through random QC audits.

FINDING 2010-03

Program: Workforce Investment Act Cluster (Including ARRA)

CFDA No.: 17.258, 17.259 and 17.260

Federal Grantor: US Department of Labor

Passed-through: State of California Department of Employment Development

Award Year: FY 2009-2010

Compliance Requirement: Special Tests and Provisions

Criteria:

The *June 2010 OMB Circular A-133 Compliance Supplement* requires Federal agencies to require recipients to identify to each subrecipient, and document at the time of subaward, and disbursement of funds, Federal award number, CFDA number, and the amount of ARRA funds; and (2) require their subrecipients to provide similar identification in their SEFA.

Condition Found:

Significant Deficiency, Instance of Non-Compliance - As a result of our review of disbursements of ARRA funds to the program's subrecipient, we noted the following:

- For 1 of the 4 disbursements of ARRA funds made to the subrecipient, the County did not identify the funds as ARRA funds at the time of disbursement.
- For 4 of the 4 disbursements of ARRA funds made to the subrecipient, the County did not document the Federal award number or CFDA number at the time of disbursement.

COUNTY OF YOLO, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Questioned Costs:

No questioned costs were identified as a result of the procedures performed.

Context:

The disbursements made to subrecipients do not specifically identify all of the required elements as required by OMB Circular A-133. The County must separately identify to each subrecipient and document at the time of the subaward and disbursement of funds, the Federal award number, CFDA number and the amount of ARRA funds.

Effect:

Not properly disclosing the Federal award number, CFDA number, and the amount of ARRA funds at the time of disbursements to subrecipients could increase the risk of the subrecipients not knowing the Federal ARRA nature of their funding; and other related compliance requirements.

Cause:

The County did not maintain procedures to ensure that the Federal award number, CFDA number, and the amount of ARRA funds were identified to the subrecipients at the time of disbursement of the funds.

Recommendation:

We recommend the County implement policies and procedures to ensure that the necessary information required by OMB Circular A-133 is disclosed to the subrecipients at the time of disbursement of ARRA funds.

View of Responsible Official and Planned Corrective Actions:

Subrecipients are provided with the Federal Award Number, CFDA number and the amount of ARRA funds at the time of grant award. This information is written into each grant agreement.

The ARRA nature of their funds is also provided to each subrecipient in the billing forms given to them for their use in submitting claims against the grant award.

The department understands that funds must also be identified at the time of issuance and has implemented a process to correct this finding. This process will result in the inclusion of the required information in the check description to sub-recipients, effective with the March 2011 payments.

COUNTY OF YOLO, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FINDING 2010-04

Program: Workforce Investment Act Cluster (Including ARRA)

CFDA No.: 17.258, 17.259 and 17.260

Federal Grantor: US Department of Labor

Passed-through: State of California Department of Employment Development

Award Year: FY 2009-2010

Compliance Requirement: Reporting

Criteria:

Per the State of California Employment Development Department Directive of Quarterly and Monthly Financial Reporting Requirements the County is required to submit monthly or quarterly financial reports, depending on the grant code requirement, by the 20th of the month following the end of each reporting period.

In addition, the State of California Employment Development Department Directive requires the County to submit a special quarterly report to the EDD WSB through the ARRA Reporting Mailbox no later than ten day after the beginning of the month in which the quarter ends.

Condition Found:

Significant Deficiency, Instance of Non-Compliance - we noted the following based on our testing performed over Reporting:

- For 4 of the 14 financial reports tested, the County did not submit the reports to the EDD by the 20th day after the beginning of the month in which the reporting period ended.
- For 13 of the 14 financial reports tested, management did not review the report prior to submission.
- For 2 of the 4 special quarterly reports tested, the County did not submit the reports to the EDD WSB by the tenth day after the beginning of the month in which the quarter ended.

Questioned Costs:

No questioned costs were identified as a result of the procedures performed.

Context:

The condition noted above was identified during our examination of the County's submission of financial and special reports.

Effect:

The information submitted on the financial and special reports are not being reported or reviewed in a timely manner. The lack of review prior to submittal could lead to inaccurate information being reported.

COUNTY OF YOLO, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Cause:

The County was unable to ensure timely submittal and review of financial and special reports due to staffing shortages.

Recommendation:

We recommend the County implemented policy and procedures to insure financial and special reports are reviewed prior to submittal and submitted in a timely manner.

View of Responsible Official and Planned Corrective Actions:

Over the 09/10 fiscal year (FY), there were three different staff members responsible for processing the WIA claim. This was due to staffing changes, layoffs and retirements that resulted from budget cuts in that fiscal year. Therefore, these transitions resulted in short staffing, re-training periods for staff and obtaining new system access the State EDD office for those staff. The combination of these issues and reduced staff resources in the Fiscal Division resulted in late reports. Effective with second quarter in the 10/11 fiscal year, new staff was hired and trained to process the claim for this program; it is expected that the finding of late reports should not be repeated for reports after second quarter 10/11 FY.

As for timely review of reports, the department's current review of reports prior to signoff will be specifically documented. Currently this review occurs by reviewing Excel spreadsheets and General Ledger reports; this process will be formalized by specifically documenting the review via Manager signoff on the worksheets that were reviewed.

FINDING 2010-05

Program: Airport Improvement Program, ARRA Airport Improvement Program

CFDA No.: 20.106

Federal Agency: US Department of Transportation

Passed-through: N/A

Award Year: 2009-2010

Compliance Requirement: Reporting

Criteria:

A fundamental element of an effective system of internal controls is the proper segregation of duties. Proper segregation of duties provides for a system of checks and balances such that the functions of one employee are subject to review through the performance of the interrelated functions of another employee.

COUNTY OF YOLO, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Condition Found:

Significant Deficiency – As a result of our audit procedures over the *ARRA 1512* reporting requirements and the *SF-271 Request for Reimbursement*, we noted one person was delegated the responsibility for preparing and submitting the required reports under the program without review of management or a secondary person. We also noted County personnel could not provide copies of all *ARRA 1512* reports for the period under audit when requested.

Questioned Cost:

No questioned costs were identified as a result of the procedures performed.

Context:

The condition noted above was identified during our examination of the reports submitted under the program.

Effect:

The lack of review could lead to reports not being available for review, being misstated and/or not submitted in a timely manner.

Cause:

Management does not have a review process over the preparation, and submission of the Section 1512 and SF-271 reports required under this program.

Recommendation:

We recommend that the County implement policies and procedures to insure proper review in the reporting process and to insure proper document retention of submitted reports.

View of Responsible Officials and Planned Corrective Actions:

The GSD Business Services Officer - Eileen Jacobs was the main person responsible for preparing, signing and submitting the *SF-271 Request for Reimbursements* but every *SF-271* was reviewed for accuracy from a second person, usually the accountant - Diana Pavlova. Diana Pavlova was maintaining separate records on a spreadsheet form with a list of all expenditures and reimbursements for every grant and she was checking for discrepancies between her spreadsheets and the *SF-271* prepared from Eileen Jacobs before the final submittal of the request. They both kept separate records for all expenditures and reimbursements. The accountant was also responsible for withdrawing the money from the ECHO web site.

In addition to the aforementioned oversight, the General Services Director and Deputy Director, reviewed and approved all reporting and financial documents for completeness and accuracy prior to submission to the FAA. These adequate checks and balances were further reviewed by a third party consultant; Mead and hunt.

COUNTY OF YOLO, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

All *ARRA 1512* reports for FAA AIP 3-06-0342-011 grant were submitted on-line on the FederalReporting.gov web site. All but the final one were submitted by Eileen Jacobs and the final one was submitted by Diana Pavlova. All 4 of the reports are available for download at any time on the web site and copy of them is in the airport files.

FINDING 2010-06

Program: Highway, Planning and Construction Cluster (Including ARRA)

CFDA No.: 20.205

Federal Agency: US Department of Transportation

Passed-through: State of California Department of Transportation

Award Year: 2009-2010

Compliance Requirement: Procurement and Suspension and Debarment

Criteria:

The *June 2010 OMB Compliance Supplement*, states that when a non-federal entity enters into a covered transaction with an entity at a lower tier, the nonfederal entity must verify that the entity is not suspended or debarred or otherwise excluded. This verification may be accomplished by checking the Excluded Parties List System (EPLS) maintained by the General Services Administration (GSA), collecting a certification from the entity, or adding a clause or condition to the covered transaction with that entity (2 CFR section 180.300).

Condition Found:

Significant Deficiency, Instance of Non-Compliance – Through testing of procurement activities, we noted that one procurement transaction lacked evidence of suspension and debarment verification.

Questioned Cost:

No questioned costs were identified as a result of the procedures performed.

Context:

The condition noted above was identified during our examination of the awarded contracts under the program.

Effect:

Contracts could be awarded to suspended or debarred parties.

Cause:

Management was unaware that this was a covered transaction and a suspension and debarment check was required.

COUNTY OF YOLO, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Recommendation:

We recommend that the County clarify its established policies and procedures over the suspension and debarment verification to insure all contracts are checked for suspension and debarment.

View of Responsible Officials and Planned Corrective Actions:

We feel it is important to note that the deficiency noted is in relation to an expenditure of \$6,750 on the County Road 23 project to a consultant that is not on the federal list of suspended or debarred parties. Under 49CFR19 Appendix A, a contractor with an award that does not exceed the small purchase threshold (\$25,000) is not required by federal regulation to provide certification regarding its exclusion status.

There are different funding source for this \$50,000 contract, including local funds, not just exclusively federal dollars. Actually the federal funded portion of this contract is less than the small purchase threshold of \$25,000 as stated in 49CFR19. Furthermore, on post contract verification document, it shows that the contractor is not debarred or suspended.

There has not been a violation of federal regulations insofar as an award to a listed party, rather the condition noted raises the question of what kind of documentation is appropriate and necessary to ensure that in the future contracts continue to be awarded to entities that are not on the debarred or suspended list, and that the effort to verify this status is documented in the project files.

In the case of County long-form consultant contracts, and construction contracts, the necessary certification statements are already included in the standard forms of these documents and no change is necessary to current practices. The County short-form agreement does not include these certification statements, and therefore moving forward, project managers will be required to collect signed certifications of debarment and suspension status from all contractors retained under shortform agreements on federally aided projects, regardless of the dollar amounts involved. These certifications will be filed with the agreement in the project records. To assist in ensuring this occurs, the County's "DEPARTMENT PROCESS CONTRACT CHECKLIST" used for shortform contracts will be modified to include language reminding those processing shortform contracts to collect certifications for work that is federally funded.

FINDING 2010-07

Program: Community Services Block Grant Cluster (Including ARRA)

CFDA No. 93.569 and 93.710

Federal Grantor: US Department of Health and Human Services

Passed-through: State of California Department of Community Services and Development

Award Year: FY 2009-2010

Compliance Requirement: Special Tests and Provisions

Criteria:

The *June 2010 OMB Circular A-133 Compliance Supplement* states that the a pass-through entity for ARRA funding is responsible for separately identified to each subrecipient, and documenting at the time of the sub-award and disbursement of funds, the Federal award number, CFDA number, and the amount of ARRA funds.

COUNTY OF YOLO, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Condition Found:

Significant Deficiency, Instance of Non-Compliance – As a result of our testwork over the disbursement of ARRA funds, we noted the County is not properly disclosing the Federal award number, CFDA number, and the ARRA portion of the payment at the time of disbursement.

Questioned Costs:

No questioned costs were identified as a result of the procedures performed.

Context:

The condition noted above was identified during our examination of the County's ARRA payments made to its subrecipients.

Effect:

Not properly disclosing the Federal award number, CFDA number, and the amount of ARRA funds at the time of disbursements to subrecipients could increase the risk of the subrecipients not knowing the Federal ARRA nature of their funding; and other related compliance requirements such as performing the Single Audit.

Cause:

The County did not maintain procedures to ensure that the Federal award number, CFDA number, and the amount of ARRA funds were identified to the subrecipients at the time of disbursement of the funds.

Recommendation:

We recommend the County implement policies and procedures to ensure that the necessary information required by OMB Circular A-133 is disclosed to the subrecipients at the time of disbursement of ARRA funds.

View of Responsible Official and Planned Corrective Actions:

Subrecipients are provided with the Federal Award Number, CFDA number and the amount of ARRA funds at the time of grant award. This information is written into each grant agreement.

The ARRA nature of their funds is also provided to each subrecipient in the billing forms given to each subrecipient for their use in submitting claims against the grant award.

The department understands that funds must also be identified at the time of issuance and has implemented a process to correct this finding. This process will result in the inclusion of the required information in the check description to sub-recipients, effective with the March 2011 payments.

COUNTY OF YOLO, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FINDING 2010-08

Program: Temporary Assistance for Needy Families Cluster (Including ARRA)

CFDA No.: 93.558 and 93.714

Federal Agency: Department of Health and Human Services

Passed-through: California Department of Social Services

Award Year: FY 2009-2010

Compliance Requirement: Special Tests and Provisions- Income Eligibility and Verification System

Criteria:

The *June 2010 Office of Budget and Management (OMB) OMB Circular A-133 Compliance Supplement* requires that the County utilize the Income and Eligibility Verification System (IEVS) to verify eligibility using wage information available from such agencies as the agencies administering State unemployment compensation laws, Social Security Administration, and the Internal Revenue Services to verify income eligibility and the amount of eligible benefits. The State of California has used IEVS since 1987 to verify income information received from applicants and recipients. In addition, the *OMB Circular A-133 Compliance Supplement* outlines people receiving benefits must cooperate with Child Support Services.

Condition:

Significant Deficiency, Instances of Non-Compliance - Caseworkers are required to utilize the Income Eligibility Verification System (IEVS) to verify the eligibility of individuals to receive TANF benefits. The IEVS reports are required to be updated by the caseworkers in CalWIN as evidence of their review of income eligibility.

Of the 60 TANF case files selected for testwork:

- 4 cases where supporting documentation was not available to show income verification was performed through the Income Eligibility Verification System (IEVS).

Questioned Costs:

Our sample resulted in known questioned costs of \$2,181 which represents the benefit payment for the transactions noted with exceptions.

Context:

The condition noted above was identified during our examination of the eligibility files.

Effect:

Case data may not be current or accurate, which could lead to inaccurate benefit calculations and benefit overpayments.

Cause:

The eligibility workers (EW) did not document their use of IEVS or properly sign and date the IEVS matching report.

COUNTY OF YOLO, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Recommendation:

We noted this is a repeat condition as a result of the FY 2009 Single Audit.

We recommend that the County reexamine its current policies and procedures to ensure existing policies are properly designed to reduce the risk of non-compliance with income verification compliance requirements. We recommend that a supervisor or caseworker periodically review a sampling of case files to ascertain that the IEVS reports exist and are properly signed to ensure compliance with the federal eligibility requirement.

Views of Responsible Officials and Planned Corrective Actions:

DESS continues to make progress in this area. We will continue with our plan that is in place and requires supervisors to randomly pull 5 cases per month per worker to ensure IEVS compliance. IEVS compliance is also an area that is reviewed when a full case review is conducted through random QC audits.

FINDING 2010-09

Program: Temporary Assistance to Needy Families Cluster (Including ARRA)

CFDA No.: 93.558 and 93.714

Federal Agency: Department of Health and Human Services

Passed-through: California Department of Social Services

Award Year: 2009-2010

Compliance Requirement: Eligibility

Criteria:

The *June 2010 OMB Circular A-133 Compliance Supplement* requirements for Eligibility require that the pass-through entity determine client eligibility to provide reasonable assurance that amounts are provided to or on behalf of eligible clients in accordance with federal requirements.

Per the Eligibility Assistance Standards Manual section 40-181, l(k), "Documents and/or evidence required of the applicant/recipient to support the initial and/or continuing determination of eligibility must be received by the County on or before the appropriate deadline established by the county and/or in conjunction with each Eligibility Chapter or these regulations," Also, redeterminations are required to be completed at least once every twelve months per the EAS manual, section 40-181.2.

Condition Found:

Significant Deficiency, Instance of Non-Compliance - Of the 60 cases selected for eligibility testwork, we noted the following:

- 2 cases where at least one of the quarterly status reports (QR7) was missing from the case file.
- 2 cases where the SAWS 2 and/or SAWS 2A was not updated for redetermination of eligibility.
- 5 cases where the 60 month calendar (YC477) was not on file or not filled out by the case worker.

COUNTY OF YOLO, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Questioned Costs:

Our sample resulted in known questioned costs of \$378 which represents the benefit payment for the transactions with noted exceptions.

Context:

The condition noted above was identified during our examination of the eligibility files.

Effect:

Case data may not be current in the case file or the system, which could lead to initial and continuation eligibility errors, inaccurate benefit calculations, and benefit overpayments. The County might become out of compliance with Federal and State program eligibility requirements and would be subject to sanctioning by these grantor agencies, resulting in it loss of funding.

Cause:

This is primarily due to lack of secondary oversight to ensure that all forms are completed and signed prior to granting or re-determining benefit amounts.

Recommendation:

We noted this is a repeat condition as a result of the FY 2009 Single Audit.

We recommend that the County clarify its established policies and procedures with regard to initial and ongoing eligibility determination, required adjustments to benefits, required documentation, maintenance of participant files, and ensure that such policies and procedures are formally documented and strictly adhered to by County personnel.

Views of Responsible Officials and Planned Corrective Actions:

In June 2011 we will be implementing Document Imaging, this software will capture all documentation submitted related to each case ensuring all documentation is in one location.

The SAWS2 and SAWS2A finding appear to be isolated instances but we will be reminding staff of the SAWS2 and SAWS2A requirement at our Quarterly Program meeting in May 2011.

Training will be provided on the 60 month calendar (YC477) at the May 2011 Quarterly Program meeting and will continue to be an area reviewed when a full case review is conducted through random QC audits.

COUNTY OF YOLO, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FINDING 2010-10

Program: Temporary Assistance for Needy Families Cluster (Including ARRA)

CFDA No.: 93.558 and 93.714

Federal Grantor: Department of Health and Human Services

Passed-through: California Department of Social Services

Award Year: FY 2009-2010

Compliance Requirement: Subrecipient Monitoring

Criteria:

The *June 2010 Office of Budget and Management (OMB) OMB Circular A-133 Compliance Supplement* states that a pass-through entity is responsible for “*Award Identification* – At the time of the award, identifying to the subrecipient the Federal award information (e.g., CFDA title and number, award name, name of Federal agency) and applicable compliance requirements.”

Condition Found:

Instance of Non-Compliance - It was noted that the agreements between the County and the provider (subrecipient) did not include the CFDA title and number as required by *OMB Circular A-133* for the period under audit. We noted during our review of the fiscal year 2010-2011 agreements between the County and its subrecipients that the agreements reported the correct award identification information.

Questioned Costs:

No questioned costs were identified as a result of the procedures performed.

Context:

The condition noted above was identified during our examination of the County’s contracts/agreements with its subrecipient.

Effect:

The subrecipient agreements do not specifically identify the CFDA title and number, award name and Federal agency. Accordingly, subrecipients may not be aware that they have received Federal funding, which might require the subrecipient to have a Single Audit performed.

Cause:

The County did not maintain procedures to ensure that the CFDA title and number, award name and Federal agency were identified in the formalized agreement executed with subrecipients.

COUNTY OF YOLO, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Recommendation:

We noted this is a repeat condition as a result of the FY 2009 Single Audit.

We recommend the County implement policies and procedures to ensure that information required by *OMB Circular A-133* is included in subrecipient agreements.

View of Responsible Official and Planned Corrective Actions:

Following the single audit ending in June 2009, the County revised contract development procedures to ensure that future subrecipient agreements include CFDA title and number, award name and the federal agency funding the program. As each agreement was renewed or amended to include the above information.

The result is that every subrecipient agreement issued following the implementation of the new procedures contains the required information.

There are no agreements to subrecipient for Fiscal year 2010 – 2011 that do not include CFDA title and number, award name and the federal agency funding the program. The County also hired additional monitoring staff to ensure compliance with OMB requirements.

FINDING 2010-11

Program: Unaccompanied Alien Children Program

CFDA No.: 93.676

Federal Agency: US Department of Health and Human Services - Office of Refugee Resettlement

Passed-through: N/A

Award Year: 2009-2010

Compliance Requirement: Allowable Cost and Activities

Criteria:

The *June 2010 OMB Circular A-133*, Sub-part C, Section 300, Part B, states that the auditee is responsible for “maintaining internal control over Federal programs that provide 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.” Internal control means a process, developed by the entity’s management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories: (1) Reliability of financial reporting; (2) Compliance with applicable laws and regulations; and (3) Effectiveness and efficiency of operations.

Condition Found:

Significant Deficiency – Program expenditures lacked audit evidence on adequate management review and approval of the program expenditures.

COUNTY OF YOLO, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Questioned Cost:

No questioned costs were identified as a result of the procedures performed.

Context:

The condition noted above was identified during our examination of the costs incurred by the program.

Effect:

The lack of a formal internal control over approving program expenditures could possibly result in unallowable costs under the program.

Cause:

This is primarily due to a lack of evidence of management review.

Recommendation:

We recommend that the County implement policies and procedures over the approval of program expenditures as to provide a sufficient evidence of management approval.

View of Responsible Officials and Planned Corrective Actions:

Yolo County Probation will immediately implement formal internal controls over approving program expenditures and require management to review, verify and approve transactions by signing or initialing and dating each transaction or invoice.

FINDING 2010-12

Program: Unaccompanied Alien Children Program

CFDA No.: 93.676

Federal Agency: US Department of Health and Human Services - Office of Refugee Resettlement

Passed-through: N/A

Award Year: 2009-2010

Compliance Requirement: Procurement and Suspension and Debarment

Criteria:

The *June 2010 OMB Compliance Supplement*, states that when a non-federal entity enters into a covered transaction with an entity at a lower tier, the nonfederal entity must verify that the entity is not suspended or debarred or otherwise excluded. This verification may be accomplished by checking the Excluded Parties List System (EPLS) maintained by the General Services Administration (GSA), collecting a certification from the entity, or adding a clause or condition to the covered transaction with that entity (2 CFR section 180.300).

COUNTY OF YOLO, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Condition Found:

Instance of Noncompliance - Through testing of procurement activities, we noted that one procurement transaction lacked evidence of suspension and debarment verification.

Questioned Cost:

No questioned costs were identified as a result of the procedures performed.

Context:

The condition noted above was identified during our examination of the awarded contracts under the program.

Effect:

Contracts could be awarded to suspended or debarred parties.

Cause:

Management could not provide evidence of the suspension and debarment check at the time of contract award.

Recommendation:

We recommend that the County implement policies and procedures over the suspension and debarment verification for all covered transactions.

View of Responsible Officials and Planned Corrective Actions:

Yolo County Probation will implement policies and procedures for verification of suspension and debarment certification on all covered transactions by checking the Excluded Parties List System (EPLS) maintained by the General Services Administration (GSA); and/or add a clause or condition to the covered transaction that requires certification verification for all covered transactions.

FINDING 2010-13

Program: Medicaid Cluster (Including ARRA)

CFDA No.: 93.778

Federal Grantor: US Department of Health and Human Services

Passed-through: California Department of Health Services

Award Year: FY 2009-2010

Compliance Requirement: Eligibility

COUNTY OF YOLO, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Criteria:

The *June 2010 Office of Budget and Management (OMB) OMB Circular A-133 Compliance Supplement* requires that:

- 1) The County shall re-determine the eligibility of Medicaid recipients with respect to circumstances that may change (e.g., income eligibility), at least every 12 months.
- 2) The County shall utilize the Income and Eligibility Verification System (IEVS) to verify eligibility using wage information available from such agencies as the agencies administering State unemployment compensation laws, Social Security Administration, and the Internal Revenue Service to verify income eligibility and the amount of eligible benefits. The State of California has used IEVS since 1987 to verify income information received from applicants and recipients.
- 3) The County shall require a written signed application under penalty of perjury and included in each applicant's case records facts to support the County's decision on the application.

Condition Found:

Significant Deficiency, Instance of Non-Compliance - Of the 60 case files selected for testwork, we noted the following:

- We noted 5 case files where the IEVS was either not present in the case file or not reviewed via CalWin System.
- We noted 7 case files where the DHCS0011 form for proof of citizenship verification or the SAVE report for documented alien reports were missing.
- We noted 3 cases where the SAWS1/SAWS2 or MC13 were missing from the case file.
- We noted 1 case file where the re-determination was not performed timely.

Questioned Costs:

No questioned costs were identified as a result of the procedures performed.

Context:

The condition noted above was identified during our examination of the County's eligibility process.

Effect:

The County increases its risk of non-compliance with eligibility requirements set forth in *OMB A-133 Compliance Supplement*.

Cause:

The County's existing procedures did not ensure that caseworkers consistently documented the review of the IEVS report and maintained documentation in the applicant's file to support proof of citizenship.

Recommendation:

We recommend that the County implement procedures to ensure that IEVS reports, proof of citizenship and other eligibility forms are consistently documented in participant case files.

COUNTY OF YOLO, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Views of Responsible Officials and Planned Corrective Actions:

DESS continues to make progress in the IEVS area. We will continue with our plan that is in place and requires supervisors to randomly pull 5 cases per month per worker to ensure IEVS compliance. IEVS compliance is also an area that is reviewed when a full case review is conducted through random QC audits.

Training will be provided on proof of citizenship (DHCS0011 or SAVE report) as well as the MC13 at the May 2011 Quarterly Program meeting and will continue to be an area reviewed when a full case review is conducted through random QC audits. In June 2011 we will be implementing Document Imaging, this software will capture all documentation submitted related to each case ensuring all documentation is in one location.

Supervisors will continue to work with staff and monitor progress on their workload and ensure timely completion of re-determinations.

FINDING 2010-14

Program: Medicaid Cluster- In Home Supportive Services Program (Including ARRA)

CFDA No.: 93.778

Federal Agency: Department of Health and Human Services

Passed-through: State of California Department of Health Services

Award Year: 2009-2010

Compliance Requirement: Eligibility

Criteria:

The *June 2010 OMB Circular A-133 Compliance Supplement* requirements for Eligibility require that the pass-through entity determine client eligibility to provide reasonable assurance that amounts are provided to or on behalf of eligible participants in accordance with federal requirements. The Compliance Supplement also specifies that a redetermination of eligibility occurs at least every 12 months.

Condition Found:

Material Weakness, Material Instances of Non-Compliance - Of the 60 cases selected for eligibility testwork, we noted the following:

- 24 cases where the recipient redetermination of eligibility was performed untimely (outside of the 12 month requirement).
- 6 cases where the YC-359 acknowledging that adult services worker had reviewed the form for accuracy and went over the fraud provisions with the recipient and provider was missing.
- 2 cases where the adult services worker did not sign the SOC 293 which documents whether or not the applicant was granted IHSS and includes the time period for which IHSS is authorized

Questioned Cost:

No questioned costs were identified as a result of the procedures performed.

COUNTY OF YOLO, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Context:

The condition noted above was identified during our examination of the eligibility case files.

Effect:

Case data may not be accurate or current in the case file or cash management information payrolling system (CMIPS), which could lead to initial and subsequent eligibility errors, inaccurate benefit calculations, and benefit overpayments. The County may become out of compliance with Federal and State program eligibility requirements and would be subject to sanctioning by these grantor agencies, resulting in a loss of funding.

Cause:

This is primarily due to a lack monitoring over the timeliness of annual eligibility re-determinations performed.

Recommendation:

We recommend that the County clarify its established policies and procedures with regard to the initial and ongoing eligibility determination, maintenance of participant files, and ensure that such policies and procedures are formally documented and strictly adhered to by County personnel.

View of Responsible Officials and Planned Corrective Actions:

IHSS Reassessments

During FY 2009-2010 we experienced major staffing shortages; at times we had as few as four staff covering an average of 1,938 cases. As of February 2011, we are fully staffed with nine Adult Services Workers (ASW). IHSS staff are diligently working to bring their caseloads up-to-date.

Overdue Assessments is a key subject that is reviewed frequently at unit meetings and one-on-one supervision meetings. Each ASW is given a monthly report indicating their currently due assessments as well as those due in the following two months. Along with this planning tool, each ASW receives an overdue assessment report. Each ASW reviews these reports to determine the best approach at completing the currently due as well as overdue assessments. The IHSS supervisor oversees this process and assists the ASW in developing a plan to complete their assessments/overdue assessments if needed.

The California Department of Social Services has set a standard that counties should not have more than 10% of their caseload in an overdue status. Yolo County met this standard in FY 09/10 with an average of 9% of our total caseload having an overdue status.

COUNTY OF YOLO, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Completion of Forms (YC 359 and SOC 293)

The importance of accurate and complete forms has been addressed at unit meetings and one-on-one supervision meetings. Staff has been given the opportunity to discuss best practices and problem solve with each other and their supervisor to help make the process of completing forms in an accurate and expeditious manner a part of their normal work routine. In addition to receiving training on how to complete these forms, case files are routinely monitored to ensure the forms are accurately completed. The completion of forms YC 359 and SOC 293 have been identified as our next IHSS-Quality Assurance targeted review. In this review the Quality Assurance analyst will conduct a random review to test the completeness of the two forms. All findings will be made available to IHSS leadership and the impacted staff for any necessary follow up.

COUNTY OF YOLO, CALIFORNIA

**SCHEDULE OF PRIOR YEAR FINDINGS
YEAR THE FISCAL YEAR ENDED JUNE 30, 2010**

Summarized below is the current status of all audit findings reported in the prior year audit’s schedule of audit findings and questioned costs.

Finding No.	Program	CFDA No.	Compliance Requirement	Status
2009-01	Long Term Financial Plan	N/A	N/A	Implemented
2009-02	Timely Preparation of the Financial Statements	N/A	N/A	Not Implemented – See Finding 2010-01
2009-03	Supplemental Nutrition Assistance Program Cluster	10.551 and 10.561	Special Tests and Provisions – EBT Reconciliation	Implemented
2009-04	Supplemental Nutrition Assistance Program Cluster- SNAP	10.551 and 10.561	Eligibility	Implemented
2009-05	Temporary Assistance for Needy Families	93.558	Special Tests and Provisions – Income Eligibility and Verification System	Not Implemented – See Finding 2010-08
2009-06	Temporary Assistance to Needy Families	93.558	Eligibility	Not Implemented – See Finding 2010-09
2009-07	Temporary Assistance for Needy Families	93.558	Subrecipient Monitoring	Not Implemented – See Finding 2010-10
2009-08	Supplemental Nutrition Program Cluster, Temporary Assistance for Needy Families, Workforce Investment Act Cluster and Medicaid Cluster	10.551, 10.561, 17.258, 17.259, 17.260, 93.778	Allowable Costs and Activities	Implemented
2009-09	Workforce Investment Act Cluster (WIA)	17.258, 17.259, and 17.260	Subrecipient Monitoring	Implemented
2009-10	Medicaid Cluster	93.778	Eligibility	Not Implemented – See Finding 2010-13
2009-11	Medicaid Cluster – In Home Supportive Services	93.778	Eligibility	Not Implemented – See Finding 2010-14
2009-12	Foster Care Program and Adoption Assistance Program	93.658 and 93.659	Allowable Costs and Activities	Implemented

COUNTY OF YOLO, CALIFORNIA

SUPPLEMENTAL SCHEDULE OF COMMUNITY SERVICES BLOCK GRANT
FOR FISCAL YEAR ENDED JUNE 30, 2010

Contract #07F-4876
9/15/2007 - 9/15/2008

<u>Revenues</u>	<u>7/1/2008 - 6/30/2009</u>	<u>7/1/2009 - 6/30/2010</u>	<u>Totals</u>	<u>Total Budget</u>
Grant Revenue		\$ 24,500	\$ 24,500	\$ 24,500
Interest Income			-	-
Other Income			-	-
Total Revenue	\$ -	\$ 24,500	\$ 24,500	\$ 24,500
Expenditures				
Administrative Costs				
Salaries and Wages			\$ -	\$ -
Operating expenses and equipment	\$ 2,500	\$ -	2,500	\$ 2,500
Fringe Benefits			-	-
Other Costs	\$ -	\$ -	-	-
Subtotal Administrative Costs:	\$ 2,500	\$ -	\$ 2,500	\$ 2,500
Program Costs				
Other Costs			-	\$ -
Sub-Contractors	\$ 22,000	\$ -	22,000	22,000
Total Non-Personnel Costs	\$ 22,000	\$ -	\$ 22,000	\$ 22,000
Total Expenditures	\$ 24,500	\$ -	\$ 24,500	\$ 24,500

Contract #09F-5154 ARRA
7/1/09 - 9/30/10

<u>2008 Revenues</u>	<u>7/1/2008 - 6/30/2009</u>	<u>7/1/2009 - 6/30/2010</u>	<u>Totals</u>	<u>Total Budget</u>
Grant Revenue	\$ -	\$ 109,961	\$ 109,961	\$ 472,392
Interest Income	-	-	-	-
Other Income	-	-	-	-
Total Revenue	\$ -	\$ 109,961	\$ 109,961	\$ 472,392
Expenditures				
Administrative Costs				
Salaries and Wages	\$ -	\$ 30,740	\$ 30,740	\$ 32,686
Fringe Benefits	-	10,389	10,389	12,351
Other Costs	-	9,460	9,460	10,359
Subtotal Administrative Costs:	\$ -	\$ 50,589	\$ 50,589	\$ 55,396
Program Costs				
Salaries and Wages	-	72,700	72,700	129,800
Fringe Benefits	-	41,624	41,624	73,986
Operating expense and equipment	-	29,495	29,495	47,175
Sub-Contractors	-	99,619	99,619	166,035
Total Non-Personnel Costs	\$ -	\$ 243,438	\$ 243,438	\$ 416,996
Total Expenditures	\$ -	\$ 294,027	\$ 294,027	\$ 472,392

COUNTY OF YOLO, CALIFORNIA

SUPPLEMENTAL SCHEDULE OF COMMUNITY SERVICES BLOCK GRANT, Continued
FOR FISCAL YEAR ENDED JUNE 30, 2010

Contract #08F-4952

1/1/08 - 12/31/09

2009

Revenues	7/1/2007 - 6/30/2008	7/1/2009 - 6/30/2010	Totals	Total Budget
Grant Revenue	\$ 78,800	\$ 201,065	\$ 279,865	\$ 279,865
Interest Income	-	-	-	-
Other Income	-	-	-	-
Total Revenue	<u>\$ 78,800</u>	<u>\$ 201,065</u>	<u>\$ 279,865</u>	<u>\$ 279,865</u>
Expenditures				
Administrative Costs				
Salaries and Wages	\$ 27,216	\$ 30,516	\$ 57,732	\$ 57,732
Fringe Benefits	13,413	8,113	21,526	21,526
Other Costs	10,969	9,035	20,004	20,004
Subtotal Administrative Costs:	<u>\$ 51,598</u>	<u>\$ 47,664</u>	<u>\$ 99,262</u>	<u>\$ 99,262</u>
Program Costs				
Other Costs	11,719	2,884	14,603	14,603
Sub-Contractors	85,417	80,583	166,000	166,000
Total Non-Personnel Costs	<u>\$ 97,136</u>	<u>\$ 83,467</u>	<u>\$ 180,603</u>	<u>\$ 180,603</u>
Total Expenditures	<u>\$ 148,734</u>	<u>\$ 131,131</u>	<u>\$ 279,865</u>	<u>\$ 279,865</u>

Contract #10F-4054, 2010

1/1/010 - 12/31/10

Revenues	7/1/2008 - 6/30/2009	7/1/2009 - 6/30/2010	Totals	Total Budget
Grant Revenue	\$ -	\$ 29,098	\$ 29,098	\$ 279,865
Interest Income	-	-	-	-
Other Income	-	-	-	-
Total Revenue	<u>\$ -</u>	<u>\$ 29,098</u>	<u>\$ 29,098</u>	<u>\$ 279,865</u>
Expenditures				
Administrative Costs				
Salaries and Wages	\$ -	\$ 16,727	\$ 16,727	\$ 28,203
Fringe Benefits	-	8,098	8,098	16,076
Other Costs	-	5,710	5,710	11,009
Subtotal Administrative Costs:	<u>\$ -</u>	<u>\$ 30,535</u>	<u>\$ 30,535</u>	<u>\$ 55,288</u>
Program Costs				
Salaries and Wages	\$ -	\$ 3,984	\$ 3,984	\$ 30,153
Fringe Benefits	-	1,492	1,492	15,680
Other Costs	-	6,286	6,286	12,744
Sub-Contractors	-	60,587	60,587	166,000
Total Non-Personnel Costs	<u>\$ -</u>	<u>\$ 72,349</u>	<u>\$ 72,349</u>	<u>\$ 224,577</u>
Total Expenditures	<u>\$ -</u>	<u>\$ 102,884</u>	<u>\$ 102,884</u>	<u>\$ 279,865</u>

COUNTY OF YOLO, CALIFORNIA

SUPPLEMENTAL SCHEDULE OF COMMUNITY SERVICES BLOCK GRANT, Continued
FOR FISCAL YEAR ENDED JUNE 30, 2010

Contract #09F-5182, 2009 ARRA
7/1/09 - 9/30/10

<u>Revenues</u>	7/1/2008 - 6/30/2009	7/1/2009 - 6/30/2010	Totals	Total Budget
Grant Revenue	\$ -	\$ -	\$ -	\$ 44,866
Interest Income	-	-	-	-
Other Income	-	-	-	-
Total Revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,866</u>
Expenditures				
Administrative Costs				
Salaries and Wages	\$ -	\$ 1,341	\$ 1,341	\$ 2,466
Fringe Benefits	-	747	747	1,315
Operating expense	-	-	-	480
Subtotal Administrative Costs:	<u>\$ -</u>	<u>\$ 2,088</u>	<u>\$ 2,088</u>	<u>\$ 4,261</u>
Program Costs				
Salaries and Wages	\$ -	\$ 4,147	\$ 4,147	\$ 10,713
Fringe Benefits	-	1,987	1,987	4,672
Operating expense	-	-	-	1,020
Equipment expense	-	2,380	2,380	7,748
Sub-Contractors	-	3,698	3,698	16,452
Total Non-Personnel Costs	<u>\$ -</u>	<u>\$ 12,212</u>	<u>\$ 12,212</u>	<u>\$ 40,605</u>
Total Expenditures	<u>\$ -</u>	<u>\$ 14,300</u>	<u>\$ 14,300</u>	<u>\$ 44,866</u>