

COUNTY OF YOLO, CALIFORNIA

Single Audit Report
(OMB Circular A-133)

For the Year Ended June 30, 2013

COUNTY OF YOLO, CALIFORNIA

Single Audit Report
(OMB Circular A-133)

For the Year Ended June 30, 2013

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COUNTY OF YOLO, CALIFORNIA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

<u>Federal Grantor</u>	Federal CFDA Number	Grantor's Identifying Number	Federal Expenditures
Direct or Pass-Through Grantor			
Federal Program Title or Cluster			
<u>U.S. Department of Agriculture</u>			
Passed through State of California Department of Food and Agriculture			
Plant and Animal Disease, Pest Control and Animal Care	10.025	12-8506-1211-CA	\$ 5,266
Plant and Animal Disease, Pest Control and Animal Care	10.025	12-8506-1317-CA	1,197
Plant and Animal Disease, Pest Control and Animal Care	10.025	11-8506-0484-CA	24,318
Plant and Animal Disease, Pest Control and Animal Care	10.025	12-8520-1164-CA	10,183
Plant and Animal Disease, Pest Control and Animal Care	10.025	11-8523-0572-CA	559
Total Plant and Animal Disease, Pest Control and Animal Care			<u>41,523</u>
Specialty Crop Block Grant Program - Farm Bill	10.170	SCB 12024	121,589
Passed through State of California Department of Education			
Special Milk Program for Children	10.556	Not Available	40,938
Passed through State of California Department of Public Health			
Special Supplemental Nutrition Program for Women, Infants, and Children - WIC	10.557	08-85489/11-10512	1,309,347
Passed through State of California Department of Social Services			
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561	Not Available	2,527,842
Passed through State of California Department of Public Health			
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561	11-10427/12-10179	265,371
Total State Administrative Matching Grants for Supplemental Nutrition Assistance Program			<u>2,793,213</u>
Total U.S. Department of Agriculture			<u>4,306,610</u>
<u>U.S. Department of Housing and Urban Development</u>			
Passed through State of California Department of Housing and Community Development			
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	10-STBG-6747	750,412
Home Investment Partnerships Program	14.239	11-HOME-6951	3,041,175
Total U.S. Department of Housing and Urban Development			<u>3,791,587</u>
<u>U.S. Department of the Interior</u>			
Passed through State of California Controller's Office			
Distribution of Receipts to State and Local Governments	15.227	Not Available	<u>73</u>
<u>U.S. Department of Justice</u>			
JAG Program Cluster:			
Direct Program			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2012-DJ-BX-0869	26,540
Passed through State of California Department of Corrections and Rehabilitation			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	BSCC 631-12	96,524
Total Edward Byrne Memorial Justice Assistance Grant Program			<u>123,064</u>
Passed through State of California Emergency Management Agency			
ARRA-Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program / Grants To Units Of Local Government	16.804	ZA09010570	5,182
Total JAG Program Cluster			<u>128,246</u>

See accompanying notes to the schedule of expenditures of federal awards.

COUNTY OF YOLO, CALIFORNIA

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2013

<u>Federal Grantor</u>	Federal	Grantor's	Federal
Direct or Pass-Through Grantor	CFDA	Number	Expenditures
Federal Program Title or Cluster	Number		
Direct Program			
State Criminal Alien Assistance Program	16.606	--	\$ 79,512
ARRA-Recovery Act - Edward Byrne Memorial Competivite Grant Program	16.808	2009-SC-B9-0059	328,178
Passed through State of California Department of Corrections and Rehabilitation			
Juvenile Accountability Incentive Block Grants	16.523	BSCC 120-12	15,110
Juvenile Accountability Incentive Block Grants	16.523	CSA 212-11	34,955
Total Juvenile Accountability Incentive Block Grants			<u>50,065</u>
Juvenile Justice and Delinquency Prevention Allocations to States	16.540	BSCC 363-12	73,747
Juvenile Justice and Delinquency Prevention Allocations to States	16.540	CSA 363-11	12,287
Total Juvenile Justice and Delinquency Prevention Allocations to States			<u>86,034</u>
Passed through State of California Emergency Management Agency			
ARRA-Violence Against Women Formula Grants	16.588	PU12 02 0570	63,792
ARRA-Violence Against Women Formula Grants	16.588	PU11 02 0570	14,410
Total ARRA-Violence Against Women Formula Grants			<u>78,202</u>
Residential Substance Abuse Treatment for State Prisoners	16.593	AF11 01 0570	180,484
Crime Victim Assistance	16.575	VW11290570	75,630
Passed through Sexual Assault and Domestic Violence Center			
Crime Victim Assistance	16.575	AT12091034	92,297
Passed through National Association of VOCA Assistance Administrators			
Crime Victim Assistance	16.575	13-054	5,000
Total Crime Victim Assistance			<u>172,927</u>
Total U.S. Department of Justice			<u>1,103,648</u>
<u>U.S. Department of Labor</u>			
Passed through State of California Department of Employment Development			
Workforce Investment Act Cluster:			
WIA Adult Program	17.258	Not Available	626,639
WIA Youth Activities	17.259	Not Available	651,791
WIA Dislocated Worker Formula Grants	17.278	Not Available	1,116,024
Total Workforce Investment Act Cluster			<u>2,394,454</u>

See accompanying notes to the schedule of expenditures of federal awards.

COUNTY OF YOLO, CALIFORNIA

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2013

<u>Federal Grantor</u>	Federal	Grantor's	Federal
Direct or Pass-Through Grantor	CFDA	Number	Expenditures
Federal Program Title or Cluster	Number		
<u>U.S. Department of Transportation</u>			
Direct Program			
Airport Improvement Program	20.106	3-06-0342-013	\$ 254,204
Passed through State of California Department of Transportation			
Highway Planning and Construction	20.205	BRLO 5922 (031)	69
Highway Planning and Construction	20.205	BRLO 5922 (059)	125,911
Highway Planning and Construction	20.205	BRLO 5922 (066)	972,434
Highway Planning and Construction	20.205	BRLO 5922 (073)	107,954
Highway Planning and Construction	20.205	BRLO 5922 (074)	136,066
Highway Planning and Construction	20.205	BRLO 5922 (077)	83,236
Highway Planning and Construction	20.205	BRLO 5922 (078)	72,948
Highway Planning and Construction	20.205	BRLO 5922 (095)	21,067
Highway Planning and Construction	20.205	BRLOZE 5922 (034)	11,110
Highway Planning and Construction	20.205	BPMP 5922 (090)	146,856
Highway Planning and Construction	20.205	75LX192	79,081
Highway Planning and Construction	20.205	HRRRL 5922 (075)	12,654
Highway Planning and Construction	20.205	HRRRL 5922 (076)	62,715
Highway Planning and Construction	20.205	HSIPL 5922 (081)	1,611
Highway Planning and Construction	20.205	SPOA 5922 (086)	443
Highway Planning and Construction	20.205	STPL 5922 (047)	870,606
Total Highway Planning and Construction			<u>2,704,761</u>
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	AL1360	<u>153,412</u>
Passed through City of Davis			
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	Not Available	7,486
Passed through City of Woodland			
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	Not Available	590
Total Minimum Penalties for Repeat Offenders for Driving While Intoxicated			<u>8,076</u>
Total U.S. Department of Transportation			<u>3,120,453</u>
<u>National Endowment for the Humanities</u>			
Direct Program			
Promotion of the Humanities Division of Preservation and Access	45.149	PG-52002-13	<u>4,212</u>
<u>Institute of Museum and Library Services</u>			
Passed through California State Library			
Grants to States - Public Library Staff Education Program	45.310	40-8084	7,763
Grants to States - Public Library Staff Education Program	45.310	40-8148	5,098
Grants to States - Public Library Staff Education Program	45.310	40-8191	50,000
Total Grants to States - Public Library Staff Education Program			<u>62,861</u>
<u>U.S. Environmental Protection Agency</u>			
Direct Program			
ARRA-Brownfields Assessment and Cleanup Cooperative Agreement	66.818	BF-96942301-0	<u>67,220</u>
<u>U.S. Department of Education</u>			
Passed through Yolo County Office of Education			
Safe and Drug Free Schools and Communities National Program	84.184	Not Available	<u>27,140</u>

See accompanying notes to the schedule of expenditures of federal awards.

COUNTY OF YOLO, CALIFORNIA

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2013

<u>Federal Grantor</u>	Federal CFDA Number	Grantor's Number	Federal Expenditures
Direct or Pass-Through Grantor			
Federal Program Title or Cluster			
<u>U.S. Department of Health and Human Services</u>			
Direct program			
Public Health Emergency Preparedness	93.069	EPO 10-57/ 11-57	\$ 502,857
Unaccompanied Alien Children Program	93.676	HHSP2332008290 7YB	1,935,886
National Bioterrorism Hospital Preparedness Program	93.889	EPO 11-57	182,240
Passed through State of California Department of Alcohol and Drug Abuse Programs			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Not Available	729,799
Passed through State of California Department of Child Support Services			
Child Support Enforcement	93.563	Not Available	3,754,134
Passed through State Department of Social Services			
ARRA-Guardianship Assistance	93.090	Not Available	193
State Planning and Establishment Grants for the Affordable Care Act (ACA)'s Exchanges	93.525	Not Available	19,252
Promoting Safe and Stable Families	93.556	Not Available	140,510
Temporary Assistance for Needy Families (TANF)	93.558	Not Available	11,440,101
Refugee and Entrant Assistance - State Administered Programs	93.566	Not Available	6,794
Community-Based Child Abuse Prevention Grants	93.590	Not Available	16,467
Stephanie Tubbs Jones Child Welfare Services Program	93.645	Not Available	113,259
Foster Care – Title IV-E	93.658	Not Available	3,721,768
Adoption Assistance	93.659	Not Available	4,049,383
Social Service Block Grant	93.667	Not Available	1,022,922
Chafee Foster Care Independence Program	93.674	Not Available	72,304
Passed through State Department of Community Services and Development			
Community Services Block Grant	93.569	12F-4452	150,278
Community Services Block Grant	93.569	13F-3052	162,560
Total Community Services Block Grant			<u>312,838</u>
Passed through State of California Department of Veterans Affairs			
Medical Assistance Program	93.778	Not Available	5,143
Passed through State of California Department of Public Health			
Medical Assistance Program	93.778	Not Available	90,787
Passed through State of California Department of Health Care Services			
Medical Assistance Program	93.778	Not Available	4,407,322
Passed through State of California Department of Social Services			
Medical Assistance Program	93.778	Not Available	<u>2,675,727</u>
Total Medical Assistance Program			<u>7,178,979</u>

See accompanying notes to the schedule of expenditures of federal awards.

COUNTY OF YOLO, CALIFORNIA

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2013

<u>Federal Grantor</u>	Federal CFDA Number	Grantor's Number	Federal Expenditures
Direct or Pass-Through Grantor			
Federal Program Title or Cluster			
Passed through State of California Department of Public Health			
Project Grants and Cooperative Agreements for Tuberculosis Control Program	93.116	Not Available	\$ 2,041
Childhood Lead Poisoning Prevention Projects_State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	Not Available	8,594
Immunization Cooperative Agreements	93.268	11-10583	57,957
Maternal and Child Health Services Block Grant to the States	93.994	Not Available	148,439
Passed through State of California Department of Health Care Services			
Children's Health Insurance Program	93.767	Not Available	83,824
Passed through State of California Department of Mental Health			
Projects for Assistance in Transition from Homelessness (PATH)	93.150	Not Available	32,711
Block Grants for Community Mental Health Services	93.958	Not Available	198,974
Passed through Yolo County Office of Education			
Head Start	93.600	Not Available	<u>5,977</u>
Total U.S. Department of Health and Human Services			<u>35,738,203</u>
<u>Social Security Administration</u>			
Direct Program			
Supplemental Security Income	96.006	--	<u>33,800</u>
<u>U.S. Department of Homeland Security</u>			
Passed through State of California Emergency Management Agency			
Emergency Management Performance Grants	97.042	2011-048	165,860
State Homeland Security Program	97.067	2009-0019	256,564
State Homeland Security Program	97.067	2010-0085	221,251
State Homeland Security Program	97.067	2011-0077	36,368
State Homeland Security Program	97.067	2012-0123	22,500
Total State Homeland Security Program			<u>536,683</u>
Total U.S. Department of Homeland Security			<u>702,543</u>
Total Expenditures of Federal Awards			<u><u>\$51,352,804</u></u>

See accompanying notes to the schedule of expenditures of federal awards.

COUNTY OF YOLO, CALIFORNIA

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2013

Note A: **General**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) presents the activity of all federal awards programs of the County of Yolo, California (County). The County 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.

Note B: **Basis of Accounting**

The accompanying Schedule is presented using the modified accrual basis of accounting, which is described in Note 1 to the County's basic financial statements, except for programs recorded in the County's enterprise funds. The enterprise funds are presented using the accrual basis of accounting, which is described in Note 1 to the County's basic financial statements.

Note C: **Relationship to Basic Financial Statements**

The amounts reported in the accompanying Schedule agree to or can be reconciled with amounts reported within the County's basic financial statements.

Note D: **Relationship to Federal Financial Reports**

The amounts reported in the accompanying Schedule agree to or can be reconciled with the amounts reported in the related federal financial reports.

Note E: **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.

Note F: **Pass-Through Grantor's Identifying Number**

The County has included in the Schedule under Grantor's Identifying Number the identifying numbers for pass-through grants when such information has been provided by the pass-through grantors. For pass-through grants that the County was not provided with such information by the pass-through grantors, the County has indicated the pass-through grantor's identifying numbers as "not available."

Note G: **Medical Assistance Program**

Except for Medi-Cal administrative expenditures, Medi-Cal and Medicare program expenditures are excluded from the Schedule. These expenditures represent fees for services; therefore, neither is considered a federal award of the County for purposes of the Schedule or in determining major programs. The County assists the State of California (State) in determining eligibility and provides Medi-Cal and Medicare services through County-owned health facilities. Medi-Cal administrative expenditures are included in the Schedule as they do not represent fees for services.

COUNTY OF YOLO, CALIFORNIA

**Notes to the Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2013**

Note H: 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, 2013. The amounts reported in the Schedule are determined by calculating the federal portion of the current year expenditures.

	Expenditures Claimed		Share of Expenditures Current Year	
	For the Year Ended		Federal Share	
	Budget	June 30, 2013		
<u>BSCC 631-12 Anti-Drug Abuse</u>				
<u>Grant Period: 10/1/2012 to 9/30/2013</u>				
<u>Audit Period: 7/1/2012 to 6/30/2013</u>				
<u>CFDA#: 16.738</u>				
Salaries and benefits	\$ 112,033	\$ 84,024	\$	84,024
Services and supplies	12,500	12,500		12,500
Totals	<u>\$ 124,533</u>	<u>\$ 96,524</u>	<u>\$</u>	<u>96,524</u>

	Expenditures Claimed		Share of Expenditures Current Year		
	For the Year Ended		Federal Share	County Share	Total
	Budget	June 30, 2013			
<u>BSCC 120-12, Juvenile Accountability Block Grants</u>					
<u>Grant Period: 7/1/2012 to 6/30/2013</u>					
<u>Audit Period: 7/1/2012 to 6/30/2013</u>					
<u>CFDA#: 16.523</u>					
Personal services	\$ 16,789	\$ 16,789	\$ 15,110	\$ 1,679	\$ 16,789
Totals	<u>\$ 16,789</u>	<u>\$ 16,789</u>	<u>\$ 15,110</u>	<u>\$ 1,679</u>	<u>\$ 16,789</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.

COUNTY OF YOLO, CALIFORNIA

**Notes to the Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2013**

Note H: **California Department of Corrections and Rehabilitation Grants (continued)**

	Expenditures Claimed			Share of Expenditures Current Year		
	Cummulative as of	For the Year Ended	Cummulative as of	Federal Share	County Share	Total
	Budget	June 30, 2012	June 30, 2013	June 30, 2013		
<u>CSA 363-11, Enhanced DMC-TAP II Grant</u>						
<u>Grant Period: 7/1/2011 to 9/30/2012</u>						
<u>Audit Period: 7/1/2012 to 6/30/2013</u>						
<u>CFDA#: 16.540</u>						
Personal services	\$ 65,193	\$ 58,523	\$ 12,201	\$ 70,724	\$ 12,201	\$ - \$ 12,201
Services and supplies	2,000	165	86	251	86	- 86
Professional services	79,697	76,537	-	76,537	-	- -
Indirect costs	3,110	2,488	-	2,488	-	- -
Totals	<u>\$ 150,000</u>	<u>\$ 137,713</u>	<u>\$ 12,287</u>	<u>\$ 150,000</u>	<u>\$ 12,287</u>	<u>\$ - \$ 12,287</u>

<u>BSCC 363-12, Enhanced DMC-TAP II Grant</u>						
<u>Grant Period: 10/1/2012 to 12/31/2013</u>						
<u>Audit Period: 7/1/2012 to 6/30/2013</u>						
<u>CFDA#: 16.540</u>						
Personal services	\$ 74,508	\$ -	\$ 42,276	\$ 42,276	\$ 42,276	\$ - \$ 42,276
Services and supplies	800	-	18	18	18	- 18
Professional services	74,375	-	31,453	31,453	31,453	- 31,453
Other	317	-	-	-	-	- -
Totals	<u>\$ 150,000</u>	<u>\$ -</u>	<u>\$ 73,747</u>	<u>\$ 73,747</u>	<u>\$ 73,747</u>	<u>\$ - \$ 73,747</u>

<u>CSA 212-11 Evidence Based Practices Program</u>						
<u>Grant Period: 10/1/2011 to 9/30/2013</u>						
<u>Audit Period: 7/1/2012 to 6/30/2013</u>						
<u>CFDA#: 16.523</u>						
Services and supplies	\$ 500	\$ 76	\$ 13	\$ 89	\$ 13	\$ - \$ 13
Professional services	51,000	22,341	15,000	37,341	15,000	- 15,000
Administrative costs	5,963	3,767	2,196	5,963	-	2,196 2,196
Fixed assets/equipment	2,500	-	-	-	-	- -
Data collection	48,000	9,962	19,342	29,304	19,342	- 19,342
Program evaluation	30,000	-	600	600	600	- 600
Other	500	-	-	-	-	- -
Totals	<u>\$ 138,463</u>	<u>\$ 36,146</u>	<u>\$ 37,151</u>	<u>\$ 73,297</u>	<u>\$ 34,955</u>	<u>\$ 2,196 \$ 37,151</u>

The required 10% County match is to be met over the life of the grant, which ends September 30, 2013. The County match is being funded with discretionary General Fund dollars and is being used for program administrative costs.

COUNTY OF YOLO, CALIFORNIA

**Notes to the Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2013**

Note I: Amounts Provided to Subrecipients

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

CFDA No.	County Program Title	Pass-Through Entity	Amount
93.558	TANF/CalWORKs Assitance	City of Davis	\$ 1,649,340
93.569	CSBG - United Christian	United Christian Centers	51,740
93.569	CSBG - Yolo Wayfarer	Yolo Wayfarer	35,000
93.569	CSBG - People Resources	People Resources	31,016
93.569	CSBG - Davis Comm Meals	Davis Community Meals	50,189
93.569	CSBG - Food Bank	Food Bank of Yolo County	47,445
17.259	WIA Title 1 Youth	Rise Inc.	98,893
			<u>\$ 1,963,623</u>

Note J: Loan Programs

The programs listed below had the following aggregate, federally-funded loans receivable outstanding at June 30, 2013. 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.

CFDA No.	Program Title	Amount
14.228	Community Development Block Grants/State's Program	<u>\$ 7,346,128</u>

COUNTY OF YOLO, CALIFORNIA

**Notes to the Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2013**

Note K: Community Services Block Grants

The following represents Community Services Block Grants expenditures of the California Department of Community Services and Development for the year ended June 30, 2013. The amounts are reported in the Schedule as CDFA No. 93.569.

Contract #12F-4452 2012				
01/01/2012-03/31/2013	7/1/2011 -	7/1/2012 -		
Revenues	6/30/2012	6/30/2013	Totals	Budget
Grant revenue	\$ 104,972	\$ 167,141	\$ 272,113	\$ 272,113
Expenditures				
Administrative Costs				
Salaries and wages	\$ 16,103	\$ 7,110	23,213	\$ 22,290
Fringe benefits	9,964	4,721	14,685	12,705
Operating expenses and equipment	2,280	1,026	3,306	1,080
Other costs	3,539	2,390	5,929	11,058
Subtotal Administrative Costs	<u>31,886</u>	<u>15,247</u>	<u>47,133</u>	<u>47,133</u>
Program Costs				
Salaries and wages	10,887	23,828	34,715	44,607
Fringe benefits	6,378	23,365	29,743	23,196
Other costs	7,519	22,127	29,646	24,377
Sub-contractors	65,165	65,711	130,876	132,800
Subtotal Program Costs	<u>89,949</u>	<u>135,031</u>	<u>224,980</u>	<u>224,980</u>
Total Expenditures	<u>\$ 121,835</u>	<u>\$ 150,278</u>	<u>\$ 272,113</u>	<u>\$ 272,113</u>
Contract #13F-3052 2013				
01/01/2013-12/31/2013	7/1/2011 -	7/1/2012 -		
Revenues	6/30/2012	6/30/2013	Totals	Budget
Grant revenue	\$ -	\$ 103,728	\$ 103,728	\$ 277,744
Expenditures				
Administrative Costs				
Salaries and wages	\$ -	\$ 12,328	\$ 12,328	\$ 15,586
Fringe benefits	-	8,551	8,551	10,070
Operating expenses and equipment	-	1,802	1,802	1,080
Other costs	-	4,093	4,093	5,454
Subtotal Administrative Costs	<u>-</u>	<u>26,774</u>	<u>26,774</u>	<u>32,190</u>
Program Costs				
Salaries and wages	-	16,751	16,751	29,147
Fringe benefits	-	4,143	4,143	19,290
Other costs	-	11,153	11,153	12,015
Sub-contractors	-	103,739	103,739	185,103
Subtotal Program Costs	<u>-</u>	<u>135,786</u>	<u>135,786</u>	<u>245,555</u>
Total Expenditures	<u>\$ -</u>	<u>\$ 162,560</u>	<u>\$ 162,560</u>	<u>\$ 277,745</u>

**Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards***

To the Honorable Board of Supervisors
County of Yolo, California

We have audited 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, 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 (County) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 1, 2014. Our report includes a reference to other auditors who audited the financial statements of First 5 Yolo and Yolo County Housing, as described in our report on the County's basic financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. Our report includes an emphasis of matter paragraph regarding the County's adoption of Governmental Accounting Standards Board (GASB) Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*; GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*; GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*; GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*; and GASB Statement No. 66, *Technical Corrections – 2012 – An Amendment of GASB Statements No. 10 and No. 62*.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2013-001 and 2013-002 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2013-003 and 2013-004 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

County's Response to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Macie Mini & O'Connell LLP

Sacramento, California
May 1, 2014

**Independent Auditor's Report on Compliance for Each Major Federal Program,
Report on Internal Control over Compliance, and Report on Schedule of
Expenditures of Federal Awards Required by OMB Circular A-133**

To the Honorable Board of Supervisors
County of Yolo, California

Report on Compliance for Each Major Federal Program

We have audited the County of Yolo's (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, 2013. 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.

The County's basic financial statements include the operations of Yolo County Housing, a discretely presented component unit, which expended \$13,314,500 in federal awards that are not included in the County's schedule of expenditures of federal awards for the year ended June 30, 2013. Our audit, described below, did not include the operations of Yolo County Housing because it was audited by other auditors who performed an audit in accordance with OMB Circular A-133.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Basis for Qualified Opinion on the Medical Assistance Program

As described in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding CFDA 93.778 Medical Assistance Program as described in item 2013-005 for Eligibility. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

Qualified Opinion on the Medical Assistance Program

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Medical Assistance Program for the year ended June 30, 2013.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2013.

The County's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be a material weakness and a significant deficiency.

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 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 2013-005 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 deficiency in internal

control over compliance described in the accompanying schedule of findings and questioned costs as item 2013-006 to be a significant deficiency.

The County's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated May 1, 2014, which contained unmodified opinions on those financial statements. We did not audit the financial statements of First 5 Yolo and Yolo County Housing, discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and in our opinion, insofar as it relates to the amounts included for First 5 Yolo and Yolo County Housing, are based solely on the reports of the other auditors. Our report includes an emphasis of matter paragraph regarding the County's adoption of Governmental Accounting Standards Board (GASB) Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*; GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*; GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*; GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*; and GASB Statement No. 66, *Technical Corrections – 2012 – An Amendment of GASB Statements No. 10 and No. 62*. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Macie Mei & O'Connell LLP

Sacramento, California
May 2, 2014

COUNTY OF YOLO, CALIFORNIA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013

Section I – Summary of Auditor’s Results

Financial Statements:

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
• Material weaknesses identified	Yes
• Significant deficiencies identified that are not considered to be material weaknesses	Yes
Noncompliance material to financial statements noted?	No

Federal Awards:

Internal control over major programs:	
• Material weaknesses identified	Yes
• Significant deficiencies identified that are not considered to be material weaknesses	Yes

Type of auditor’s report issued on compliance for major programs:

CFDA 93.778 Medical Assistance Program	Modified
Remaining Major Federal Programs	Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	Yes
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Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
14.239	Home Investment Partnerships Program
93.558	Temporary Assistance for Needy Families
93.658	Foster Care – Title IV-E
93.659	Adoption Assistance
93.778	Medical Assistance Program

Dollar threshold used to distinguish between Type A and Type B programs:	\$1,540,584
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Auditee qualified as low-risk auditee	No
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COUNTY OF YOLO, CALIFORNIA

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2013

Section II – Financial Statement Findings

Reference Number: 2013-001

Due To and From Other Governments

Criteria:

Under generally accepted accounting principles, the County should ensure proper year-end reporting of account balances.

Condition:

The County's General Fund due from other governments and due to other governments were overstated by \$7,332,709.

Context:

The overstatement accounted for 37% of the pre-adjusted due from other governments balance and 59% of the pre-adjusted due to other governments balance.

Effect:

As a result of this condition a material audit adjustment debiting due to other governments and crediting due from other governments was made to the General Fund.

Cause:

The County receives funding from the State of California (State) to administer various State and Federal programs. On a quarterly basis, the County will match funding to program expenditures. Once the funding terms have expired, the County is required to remit payment back to the State for unspent funding received. The County identifies the funds due back to the State by determining funding received from the State and applying funds to actual costs incurred to administer the various programs. The County recorded its liability as of June 30, 2013 without matching up 4th quarter expenditures incurred in fiscal year 2013, resulting in the County overstating its due to other government liability as well as overstating its due from other government receivable balance.

Recommendation:

The County should improve their year-end close procedures to ensure year-end closing entries are properly reflected in the financial statements.

Management's Response:

The improper adjustment of negative due from other governments has occurred only once. There was no impact on fund balance as a result of this error. All year-end adjustments and accruals over \$100,000 will be reviewed by an accounting manager before posting to the ledgers.

COUNTY OF YOLO, CALIFORNIA

Schedule of Findings and Questioned Costs (Continued) For the Year Ended June 30, 2013

Reference Number: 2013-002

Capital Assets (Landfill)

Criteria:

Landfill closure and postclosure care costs under GASB Statement No. 18 should be included as part of the closure and postclosure liability calculation and not capitalized as capital assets.

Condition:

The County's Central Landfill Fund capital assets included \$2,461,011 in closure and postclosure care costs.

Context:

The overstatement accounted for 17% of the pre-adjusted capital assets balance and 12% of the pre-adjusted beginning net position balance.

Effect:

As a result of this condition a material audit adjustment debiting beginning net position and crediting capital assets was made to the Yolo County Central Landfill Fund.

Cause:

The County didn't have a thorough understanding of GASB Statement No. 18, which resulted in closure and postclosure care costs being improperly capitalized.

Recommendation:

The County should provide adequate training to County personnel and update County policies and procedures to ensure proper application of generally accepted accounting principles.

Management's Response:

County financial staff detected the error after questioning the large increase in the closure and postclosure costs that were calculated at the end of the fiscal year. A correction was posted as part of year-end closing adjustments prior to closing out the fiscal year. We concur and will provide training to Yolo County Central Landfill staff on the requirements of GASB Statement No 18.

COUNTY OF YOLO, CALIFORNIA

Schedule of Findings and Questioned Costs (Continued) For the Year Ended June 30, 2013

Reference Number: 2013-003

Timely Preparation and Issuance of the Annual Financial Statements

Criteria:

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 GASB 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 Government Finance Officers Association's (GFOA) 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.

Condition:

The County issued its Comprehensive Annual Financial Report (CAFR) more than 9 months after the end of its fiscal year end.

Context:

The County's CAFR was issued on May 1, 2014, which was after the GFOA deadline of December 31, 2013.

Effect:

The CAFR was not available to meet the needs of decision makers, including the governing board, bondholders, Federal and State oversight agencies, and constituents in a timely manner.

Cause:

The County is in the process of identifying a new accounting system for implementation, thus limited resources were made available relating to the preparation of the County's CAFR.

Recommendation:

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

In addition, the County should involve more resources toward the preparation of its CAFR.

COUNTY OF YOLO, CALIFORNIA

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2013

Management's Response:

Accounting management and staff have been heavily involved in the selection of a new financial and human resources system for the County and will continue to be part of the implementation team for this system. The other unusual circumstance was that this year we incurred a learning curve while working with new independent auditors. We are in the process of securing additional resources to backfill and supplement the regular staff to ensure timely preparation and issuance of the financial statements.

COUNTY OF YOLO, CALIFORNIA

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2013

Reference Number: 2013-004

Submission of Single Audit Report

Criteria:

Per paragraph (a) of Section .320 of Subpart C of Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the audit shall be completed and the data collection form described in paragraph (b) of this section and reporting package described in paragraph (c) of this section shall be submitted within the earlier of 30 days after receipt of the auditor's report(s), or nine months after the end of the audit period.

Condition:

As of the date of this report, the County is late with its submission of the single audit report.

Context:

The County's Single Audit Reporting Package was submitted to the Federal Audit Clearinghouse shortly after the Single Audit Report was issued on May 2, 2014, which was after the required deadline of March 31, 2014.

Effect:

The County exposes itself to the risk of granting agencies withholding funding pending the release of the single audit report or of losing funding all together.

Cause:

The single audit report is to be issued subsequent to the County's CAFR. The County's CAFR was not issued until April 2014, which caused the single audit report issuance to be delayed.

Recommendation:

The County should establish policies and procedure pertaining to the monitoring of reporting deadlines.

Management's Response:

Accounting management and staff have been heavily involved in the selection of a new financial and human resources system for the County and will continue to be part of the implementation team for this system. The other unusual circumstance was that this year we incurred a learning curve while working with new independent auditors. We are in the process of securing additional resources to backfill and supplement the regular staff to ensure timely submission of the Single Audit Report.

COUNTY OF YOLO, CALIFORNIA

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2013

Section III – Federal Awards Findings and Questioned Costs

Reference Number:	2013-005
Federal Program Title:	Medical Assistance Program
Federal Catalog Number:	93.778
Federal Agency:	U.S. Department of Health and Human Services
Pass-Through Agency:	California Department of Social Services
Award Number and Year:	Not Available; 2012-13
Category of Finding:	Eligibility

Criteria:

42 CFR 435.916 – PERIODIC REDETERMINATIONS OF MEDICAID ELIGIBILITY

- (a) The agency must redetermine the eligibility of Medicaid beneficiaries, with respect to circumstances that may change, at least every 12 months, however-
- (1) The agency may consider blindness continuing until the review physician under section 435.531 determines that a beneficiary's vision has improved beyond the definition of blindness contained in the plan; and
 - (2) The agency may consider disability as continuing until the review team under section 435.541 determines that a beneficiary's disability no longer meets the definition of disability contained in the plan.

Condition:

Many of the Medical Assistance Program – In-Home Supportive Services (IHSS) Program recipients' redetermination of eligibility were completed more than 12 months after their previous redetermination or hadn't been completed within the previous 12 months.

Questioned Costs:

There are no questioned costs associated with this condition.

Context:

Of the 60 IHSS program participants tested, 31 instances of noncompliance were noted.

Effect:

The County is not in compliance with eligibility requirements, which can result in ineligible participants receiving benefits.

Cause:

The County is aware of this requirement but is experiencing staff shortages, thus has not been able to complete the required eligibility redeterminations in a timely manner.

Recommendation:

The County should develop and/or hire the resources necessary to complete redeterminations in a timely manner.

COUNTY OF YOLO, CALIFORNIA

Schedule of Findings and Questioned Costs (Continued) For the Year Ended June 30, 2013

Management Response and Corrective Action Plan:

In fiscal year 2012/13, the IHSS program at the Yolo County Department of Employment and Social Services (DESS) was understaffed once again. That, coupled with unexpected implementation issues with the new case management/payroll system, put DESS even further behind on reassessments. By mid fiscal year 2013/14, DESS was able to fully staff its IHSS program for the first time in 4 years – adding six new Adult Services Workers, bringing the total number to ten workers who complete IHSS assessment/reassessments. DESS is currently in the process of completing on-the-job training for the new staff and look forward to them being up-to-speed within the next six months. DESS acknowledges the importance of timely IHSS reassessments and continues to make this a high priority.

COUNTY OF YOLO, CALIFORNIA

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2013

Reference Number: 2013-006
Federal Program Title: Medical Assistance Program
Federal Catalog Number: 93.778
Federal Agency: U.S. Department of Health and Human Services
Pass-Through Agency: California Department of Health Care Services
California Department of Social Services
Award Number and Year: Not Available; 2012-13
Category of Finding: Eligibility

Criteria:

42 CFR 435.948 – REQUESTING INFORMATION

- (a) Except as provided in paragraphs (d), (e), and (f) of this section, the agency must request information from the sources specified in this paragraph for verifying Medicaid eligibility and the correct amount of medical assistance payments for each applicant (unless obviously ineligible on the face of his or her application) and beneficiary. The agency must request—
- (e) Exception: Alternate sources—
- (1) The Secretary may, upon application from a State agency, permit an agency to request and use income information from a source or sources alternative to those listed in paragraph (a) of this section. The agency must demonstrate to the Secretary that the alternative source(s) is as timely, complete and useful for verifying eligibility and benefit amounts. The Secretary will consult with the Secretary of Agriculture and the Secretary of Labor before determining whether an agency may use an alternate source.
 - (2) The agency must continue to meet the requirements of this section unless the Secretary has approved the request.

Condition:

The County was properly requesting the IEVS reports on an annual basis. However, County caseworkers are not completing an electronic signature indicating the IEVS reports were reviewed in the eligibility determination process. We were able to review other supporting documentation indicating program participants were eligible to receive assistance.

Questioned Costs:

There are no questioned costs associated with this condition.

Context:

IEVS reports pertaining to 8 out of the 40 program participants selected for testing were not electronically signed off indicating review.

Effect:

The County exposes itself for risk that program participants are not eligible to receive assistance.

Cause:

The County is aware of this requirement but is experiencing staff shortages, thus the signoff of the IEVS reports has been an oversight.

COUNTY OF YOLO, CALIFORNIA

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2013

Recommendation:

The County should develop policies and procedures and provide staff training to ensure these reports are signed off indicating caseworker review.

Management Response and Corrective Action Plan:

DESS agrees with the above findings. DESS will provide refresher training at the next Medi-Cal Program meeting on the importance of processing IEVS and the subsequent documentation of that review.

COUNTY OF YOLO, CALIFORNIA

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2013

Financial Statement Findings

Reference Number: 2012-01

Timely Preparation and Issuance of the Annual 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, communication with component units, 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 GASB 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 Government Finance Officers Association's (GFOA) 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.

Condition:

Significant Deficiency - During our audit over the County's Comprehensive Annual Financial Report (CAFR), we noted while the CAFR preparation process was significantly improved over the prior year, we also noted the County's efforts to issue its CAFR within reasonable timelines after June 30 was difficult due to the delayed audit completion date of a separately audited component unit. We noted communication of audit timelines to this component unit did not occur on a timely basis to allow the County to issue its CAFR before December 31 (as prescribed by the GFOA).

Context:

The condition above was noted during the audit process.

Effect:

The County was unable to issue its CAFR in a timely manner and before December 31.

COUNTY OF YOLO, CALIFORNIA

Summary Schedule of Prior Audit Findings (Continued) For the Year Ended June 30, 2013

Cause:

Communication of audit timelines to a component unit did not occur on a timely basis to allow the County to issue its CAFR before December 31.

Recommendation:

This is a repeat condition from the FY 2009, FY 2010, and FY 2011 audit

We noted the County made significant improvements over the CAFR preparation from the prior year.

We recommend the County continue to implement policies and procedures to ensure its annual financial statements are issued timely, and that deadline to obtain audited financial statements of separately audited component units is communicated timely to each of the separate entities and closely monitored. In addition, we continue to recommend that the County involve more personnel or resources toward the preparation of the CAFR.

View of Responsible Official and Planned Corrective Action:

The County Auditor-Controller has reorganized resources and procedures to ensure that the annual financial statements are available timely for the audit; in fact this year, most audit work on the County's accounts were completed by end of October as planned. The only exception was the financial statements of the Yolo County Housing (YCH), a component unit, which were not ready until January 31, 2013. This represented a two-month improvement from the prior year. County staff is working with the YCH management to continue improving the timeliness of its financial statements and allow the County to issue its annual report by December 31.

Status:

Recommendation continues. See reference number 2013-003.

COUNTY OF YOLO, CALIFORNIA

Summary Schedule of Prior Audit Findings (Continued)
For the Year Ended June 30, 2013

Reference Number: 2012-02

Untimely Preparation of Bank Reconciliations

Criteria:

In accordance with *Government Code* Section 26905:

Not later than the last day of each month, the auditor shall reconcile the cash and investment accounts as stated on the auditor's books with the cash and investment accounts as stated on the treasurer's books as of the close of business of the preceding month to determine that the amounts in those accounts as stated on the books of the treasurer are in agreement with the amounts in those accounts as stated on the books of the auditor.

Timely and accurate bank reconciliations will improve accounting control over the County's general ledger cash accounts, which will enhance management's ability to make informed decisions. Auditor-Controller management should review the reconciliations and any adjusting journal entries and document approval by initialing the reconciliations.

Condition:

Significant Deficiency, Instance of Non-Compliance - During the course of our audit, we noted that the County's cash accounts had not been reconciled in a timely manner. Untimely reconciliation of cash accounts could cause any errors made by the bank or the County to go undetected. We noted the County was able to complete the bank reconciliation prior to the completion of our audit. However, we noted the County has not completed bank reconciliations in a timely manner in FY 2012.

Context:

Government Code Section 26905 requires the County to reconcile the cash and investment accounts as stated on the auditor's books with the cash and investment accounts as stated on the treasurer's books.

Bank/trustee held investment reconciliations should be performed monthly to compare bank/trustee balances to balances in the general ledger accounts. This is done to ensure accuracy and accountability for all transactions.

Effect:

Untimely reconciliation of cash accounts could cause any errors made by the bank or the County to go undetected.

Cause:

Due to the County's budget constraints; there are a limited number of County personnel trained to perform monthly bank reconciliations. Consequently, the County has not implemented alternative procedures to ensure the timely preparation of bank reconciliations.

COUNTY OF YOLO, CALIFORNIA

Summary Schedule of Prior Audit Findings (Continued)
For the Year Ended June 30, 2013

Recommendation:

This is a repeat condition from the FY 2011 audit.

We recommend the County implement procedures to ensure bank/trustee held investment reconciliations are performed timely and on a monthly basis. In addition, these reconciliations should be reviewed by someone other than the preparer. By ensuring that these procedures are completed, the County will reduce the risk of cash being misappropriated and going undetected by management, or there being errors on the financial statements.

View of Responsible Official and Planned Corrective Action:

The recent transfer of the County-wide payroll function out of the Auditor-Controller's office has allowed accounting staff to refocus on accounting tasks such as bank reconciliation. One staff person has been assigned and is being trained on this specific task, and we expect to be caught up before June 2013.

Status:

Recommendation continues. However, this finding is not reported in this Single Audit Report, but rather is reported in a separate letter provided to management dated May 1, 2014.

COUNTY OF YOLO, CALIFORNIA

Summary Schedule of Prior Audit Findings (Continued)
For the Year Ended June 30, 2013

Federal Awards Findings and Questioned Costs

Reference Number:	2012-03
Federal Program Title:	Special Supplemental Nutrition program for Women, Infants and Children (Includes ARRA)
Federal Catalog Number:	10.557
Federal Agency:	U.S. Department of Agriculture
Passed-Through Agency:	State of California Department of Social Sciences
Award Year:	FY 2011 - 2012
Category of Finding:	Eligibility

Criteria:

According to the June 2012 Office of Management and Budget (OMB) Compliance Supplement applicants for WIC Program benefits are screened at WIC clinic sites to determine their WIC eligibility. To be certified eligible, they must meet the following eligibility criteria: Categorical, Identity and Residency, Income, and Nutritional Risk (7 GFR sections 246.7(c), (d), (e), (g), and (l)).

Condition:

Significant Deficiency, Instance of Non-Compliance – We noted there was no evidence to support the income verification being performed for one WIC program participant receiving benefits.

Questioned Cost:

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

Context:

We identified one out of 60 case files selected in which there was no evidence of the applicant's income being verified prior to issuing benefits.

Effect:

The eligibility determination for the program participant is not completely and appropriately supported due to the missing documentation.

Cause:

The County's policies and procedures regarding the completion and retention of the income verification were not followed by program personnel in this instance.

Recommendation:

We recommend that the County ensure that their eligibility determination policies and procedures are appropriately designed, implemented and strictly adhered to by the program personnel.

COUNTY OF YOLO, CALIFORNIA

Summary Schedule of Prior Audit Findings (Continued)
For the Year Ended June 30, 2013

View of Responsible Official and Planned Corrective Action:

The Yolo County Women, Infants and Children (WIC) Program has stepped up its Continuous Quality Improvement (CQI) process in the last year to include quarterly file reviews. This process began with a Supervisor review to identify areas of improvement and training needed and has continued with a peer review process. Community Health Assistants (CHAs) review each other's files each quarter which we've found holds staff more accountable for documentation according to program requirements and identifies areas of improvement earlier. The results of CQI are discussed regularly with all staff and included in individual annual employment reviews. We regularly train on the eligibility requirements and are confident that this finding was a procedural error in which the CHA forgot to place the hold on the account.

Contact: Laurie Green, WIC Program Coordinator, Department of Public Health, (530) 666-8447

Status:

This program was tested as a major program for the year end June 30, 2013 and no findings as identified above were noted, therefore recommendation considered implemented.

COUNTY OF YOLO, CALIFORNIA

Summary Schedule of Prior Audit Findings (Continued)
For the Year Ended June 30, 2013

Reference Number: 2012-04
Federal Program Title: Medicaid Cluster – In Home Supportive Services Program
(Including ARRA)
Federal Catalog Number: 93.778
Federal Agency: U.S. Department of Health and Human Services
Passed-Through Agency: State of California Department of Health Services
Award Year: FY 2011-2012
Category of Finding: Eligibility

Criteria:

The June 2012 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:

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

- 21 cases where the recipient redetermination of eligibility was performed untimely (outside of the 12 month requirement).

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 eligibility case files.

Effect:

Case data may not be accurate or current in the case file or cash management information payroll 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 noted this is a repeat condition as a result of the FY 2011 and FY 2010 Single Audit.

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.

COUNTY OF YOLO, CALIFORNIA

Summary Schedule of Prior Audit Findings (Continued)
For the Year Ended June 30, 2013

View of Responsible Officials and Planned Corrective Actions:

During FY 2011/12 we once again experienced staffing shortages due to mandatory furloughs and unexpected staff leave of absence. As of March 2013, two new Adult Services Workers (ASW) were hired which brought us back to a staffing of 9 to complete IHSS eligibility determinations.

Overdue assessments continue to be a key subject that is reviewed frequently at unit meetings and one-on-one supervision meetings. Each ASW receives 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 to complete 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 2011/12 with an average of 7.38% of our total caseload having an overdue status.

Contact: Kipp Drummond, CFO, Department of Employment and Social Services, (530) 661-2672

Status:

Recommendation continues. See reference number 2013-005.

COUNTY OF YOLO, CALIFORNIA

Summary Schedule of Prior Audit Findings (Continued)
For the Year Ended June 30, 2013

Reference Number:	2012-05
Federal Program Title:	Edward Byrne Memorial Justice Assistance Grants-(JAG Cluster) (Including ARRA)
Federal Catalog Numbers:	16.738 and 16.804
Federal Agency:	U.S. Department of Justice
Passed-Through Agency:	N/A
Award Year:	FY 2011-2012
Category of Finding:	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.

Condition:

Significant Deficiency – As a result of our audit procedures, we noted there was no documentary evidence of management’s review and approval over the following reports:

- Monthly Jobs Collection Data
- Quarterly Performance Measurement Tool Reports

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 a formalized review process 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 formalized management review process in place for reports submitted under the program.

Recommendation:

We recommend that the County implement policies and procedures to ensure a formalized review process of submitted reports are in place under the program.

COUNTY OF YOLO, CALIFORNIA

Summary Schedule of Prior Audit Findings (Continued)
For the Year Ended June 30, 2013

View of Responsible Officials and Planned Corrective Actions:

The Yolo County Sheriff's Office has reviewed the recommendation and is in agreement with the recommendation. Effective with the next quarterly submission, the Yolo County Sheriff's Office will be implementing a formal review process.

The Yolo County District Attorney's Office has reviewed the recommendation and is in agreement with the recommendation. Effective with the next quarterly submission, the Yolo County District Attorney's Office will be implementing a formal review process.

Contact: Rosario Ruiz-Dark, Chief of Finance and Administration, Sheriff's Office, (530) 668-5264
Debbie Bair, Staff Services Analyst, District Attorney's Office, (530) 666-8396

Status:

The County did not implement policies and procedures to ensure a formalized review process of the submitted reports noted in the prior year finding. Therefore, this recommendation continues.