

**COUNTY OF YOLO, CALIFORNIA**

Single Audit Report  
(OMB Circular A-133)

For the Year Ended June 30, 2014

**COUNTY OF YOLO, CALIFORNIA**

Single Audit Report  
(OMB Circular A-133)

For the Year Ended June 30, 2014

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**COUNTY OF YOLO**

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2014

<u>Federal Grantor</u>	Federal	Grantor's	Federal
Direct or Pass-Through Grantor	CFDA	Number	Expenditures
Federal Program Title or Cluster	Number		
<b><u>Department of Agriculture</u></b>			
Direct Program			
Rural Housing Preservation Grants	10.433	04-057-946000548	\$ 65,000
Passed through State of California Department of Food and Agriculture			
Plant and Animal Disease, Pest Control and Animal Care	10.025	13-8506-1211-CA	417
Plant and Animal Disease, Pest Control and Animal Care	10.025	13-8506-1317-CA	2,809
Plant and Animal Disease, Pest Control and Animal Care	10.025	13-8506-1399-CA	2,870
Plant and Animal Disease, Pest Control and Animal Care	10.025	13-8506-0484-CA	18,427
Plant and Animal Disease, Pest Control and Animal Care	10.025	14-8506-0484-CA	5,557
Plant and Animal Disease, Pest Control and Animal Care	10.025	13-8506-1164-CA	6,643
Plant and Animal Disease, Pest Control and Animal Care	10.025	14-8506-1164-CA	770
Total Plant and Animal Disease, Pest Control and Animal Care			<u>37,493</u>
Passed through State of California Department of Public Health			
Specialty Crop Block Grant Program - Farm Bill	10.170	SCB 12024	127,750
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	11-10512	1,291,748
Technical Assistance for Specialty Crops Program	10.604	2013-37	518
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	12-10179/13-20459	403,767
Passed through State of California Department of Social Services			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Not Available	<u>3,445,739</u>
Total State Administrative Matching Grants for the Supplemental Nutrition Assistance Program			3,849,506
Passed through State of California Department of Education			
Special Milk Program for Children	10.556	Not Available	<u>41,358</u>
Total Department of Agriculture			<u>5,413,373</u>
<b><u>Department of Housing and Urban Development</u></b>			
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	49,588
Home Investment Partnerships Program	14.239	11-HOME-6951	58,825
Total Department of Housing and Urban Development			<u>108,413</u>
<b><u>Department of the Interior</u></b>			
Passed through the State of California Controller's Office			
Distribution of Receipts to State and Local Governments	15.227	Not Available	<u>77</u>
Total Department of the Interior			<u>77</u>

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

**COUNTY OF YOLO**

Schedule of Expenditures of Federal Awards (Continued)  
For the Year Ended June 30, 2014

<u>Federal Grantor</u> Direct or Pass-Through Grantor Federal Program Title or Cluster	Federal CFDA Number	Grantor's Number	Federal Expenditures
<b><u>Department of Justice</u></b>			
Direct Program			
State Criminal Alien Assistance Program	16.606	--	\$ 60,525
Bulletproof Vest Partnership Program	16.607	--	1,869
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2013-DJ-BX-0955	26,137
Passed through State of California Department of Corrections and Rehabilitation			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	BSCC 631-12	28,009
Edward Byrne Memorial Justice Assistance Grant Program	16.738	BSCC 631-13	85,370
Total Edward Byrne Memorial Justice Assistance Grant Program			<u>139,516</u>
Juvenile Accountability Block Grants	16.523	CSA 212-11	65,166
Juvenile Justice and Delinquency Prevention - Allocations to States	16.540	BSCC 363-12	76,253
Passed through State of California Governor's Office of Emergency Services			
ARRA-Violence Against Women Formula Grants	16.588	PU12 03 0570	16,455
Residential Substance Abuse Treatment for State Prisoners	16.593	AF11 01 0570	178
Crime Victim Assistance	16.575	VW13310570	77,430
Passed through Sexual Assault and Domestic Violence Center			
Crime Victim Assistance	16.575	AT12091034	54,226
Crime Victim Assistance	16.575	AT13101034	13,167
Total Crime Victim Assistance			<u>144,823</u>
Total Department of Justice			<u>504,785</u>
<b><u>Department of Labor</u></b>			
Passed through State of California Department of Employment Development			
WIA Adult Program	17.258	Not Available	367,117
WIA Youth Activities	17.259	Not Available	497,144
WIA Dislocated Worker Formula Grants	17.278	Not Available	645,969
Total WIA Cluster			<u>1,510,230</u>
Total Department of Labor			<u>1,510,230</u>
<b><u>Department of Transportation</u></b>			
Direct Program			
Airport Improvement Program	20.106	3-06-0342-013	132,524
Airport Improvement Program	20.106	3-06-0342-014	82,479
Airport Improvement Program	20.106	3-06-0342-015	5,301
Total Airport Improvement Program			<u>220,304</u>

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

**COUNTY OF YOLO**

Schedule of Expenditures of Federal Awards (Continued)  
For the Year Ended June 30, 2014

<u>Federal Grantor</u> Direct or Pass-Through Grantor Federal Program Title or Cluster	Federal CFDA Number	Grantor's Number	Federal Expenditures
<b><u>Department of Transportation (continued)</u></b>			
Passed through State of California Department of Transportation			
Highway Planning and Construction	20.205	BRLOZE 5922 (034)	\$ 4,266
Highway Planning and Construction	20.205	STPL 5922 (047)	7,912,445
Highway Planning and Construction	20.205	BRLO 5922 (059)	1,403,191
Highway Planning and Construction	20.205	BRLO 5922 (066)	258,086
Highway Planning and Construction	20.205	BRLO 5922 (073)	47,748
Highway Planning and Construction	20.205	BRLO 5922 (074)	70,230
Highway Planning and Construction	20.205	BRLO 5922 (077)	197,319
Highway Planning and Construction	20.205	BRLO 5922 (078)	184,362
Highway Planning and Construction	20.205	HSIPL 5922 (081)	6,511
Highway Planning and Construction	20.205	BPMP 5922 (090)	40,864
Highway Planning and Construction	20.205	HSPIL-5922(094)	82,325
Highway Planning and Construction	20.205	BRLO 5922 (095)	87,118
Highway Planning and Construction	20.205	BPMP-5922(097)	12,127
Highway Planning and Construction	20.205	BRLO 5922 (098)	1,073
Highway Planning and Construction	20.205	BRLO 5922 (099)	1,073
Highway Planning and Construction	20.205	STPL 5922 (101)	804
Total Highway Planning and Construction			<u>10,309,542</u>
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	AL1360	52,812
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	DI1407	164,352
Total Alcohol Impaired Driving Countermeasures Incentive Grants I			<u>217,164</u>
Passed through City of Davis			
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	AL1442	9,821
Total Department of Transportation			<u>10,756,831</u>
<b><u>National Endowment for the Humanities</u></b>			
Direct Program			
Promotion of the Humanities - Division of Preservation and Access	45.149	PG-52002-13	1,788
Total National Endowment for the Humanities			<u>1,788</u>
<b><u>Institute of Museum and Library Services</u></b>			
Passed through California State Library			
Grants to States	45.310	40-8148	4,902
Grants to States	45.310	40-8191	10,000
Total Grants to States			<u>14,902</u>
Total Institute of Museum and Library Services			<u>14,902</u>
<b><u>Environmental Protection Agency</u></b>			
Direct Program			
ARRA-Brownfields Assessment and Cleanup Cooperative Agreements	66.818	BF-96942301-0	13,299
Total Environmental Protection Agency			<u>13,299</u>

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

**COUNTY OF YOLO**

Schedule of Expenditures of Federal Awards (Continued)  
For the Year Ended June 30, 2014

<u>Federal Grantor</u>	Federal	Grantor's	Federal
Direct or Pass-Through Grantor	CFDA	Number	Expenditures
Federal Program Title or Cluster	Number		
<b><u>Department of Education</u></b>			
Passed through Yolo County Office of Education			
Safe and Drug-Free Schools and Communities - National Programs	84.184	Q184L090373-12	\$ 45,840
Total Department of Education			<u>45,840</u>
<b><u>Department of Health and Human Services</u></b>			
Direct Programs			
Hospital Preparedness (HPP) and Public Health Emergency			
Preparedness (PHEP) Aligned Cooperative Agreements	93.074	EPO 10-57/ 11-57	422,129
Unaccompanied Alien Children Program	93.676	HHSP2332008290 7YB	1,617,057
Passed through State of California Department of Public Health			
Project Grants and Cooperative Agreements for Tuberculosis			
Control Programs	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	11-10416	9,387
Immunization Cooperative Agreements	93.268	13-20319	52,656
Maternal and Child Health Services Block Grant to the States	93.994	2013-57	133,631
Passed through the State of California Department of Mental Health			
Projects for Assistance in Transition from Homelessness (PATH)	93.150	Not Available	31,539
Block Grants for Community Mental Health Services	93.958	Not Available	231,079
Passed through National Association of County and City Health Officials			
Building Capacity of the Public Health System to Improve			
Population Health through National, Non-Profit Organizations -			
financed in part by Prevention and Public Health Funds (PPHF)	93.524	3U38OT000172-01S1	35,000
Passed through Public Health Institute			
PPHF - Community Transformation Grants and National			
Dissemination and Support for Community Transformation			
Grants - financed solely by Prevention and Public Health Funds	93.531	1U58DP003677-03	8,587
Passed through State of California Department of Social Services			
Promoting Safe and Stable Families	93.556	Not Available	127,007
Temporary Assistance for Needy Families	93.558	Not Available	11,345,234
Refugee and Entrant Assistance - State Administered Programs	93.566	Not Available	15,605
Community-Based Child Abuse Prevention Grants	93.590	Not Available	16,198
Stephanie Tubbs Jones Child Welfare Services Program	93.645	Not Available	120,407
Foster Care - Title IV-E	93.658	Not Available	3,594,481
Adoption Assistance	93.659	Not Available	4,008,412
Social Services Block Grant	93.667	Not Available	1,944,312
Chafee Foster Care Independence Living Program	93.674	Not Available	69,548
Passed through State of California Department of Child Support Services			
Child Support Enforcement	93.563	Not Available	3,845,336

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

**COUNTY OF YOLO**

Schedule of Expenditures of Federal Awards (Continued)  
For the Year Ended June 30, 2014

<u>Federal Grantor</u>	Federal CFDA Number	Grantor's Number	Federal Expenditures
Direct or Pass-Through Grantor			
Federal Program Title or Cluster			
<b><u>Department of Health and Human Services (continued)</u></b>			
Passed through State of California Department of Community Services and Development			
Community Services Block Grant	93.569	13F-3052	\$ 107,773
Community Services Block Grant	93.569	14F-3052	101,151
Total Community Services Block Grant			<u>208,924</u>
Passed through Yolo County Office of Education			
Head Start	93.600	Not Available	4,068
Passed through State of California Department of Health Care Services			
Children's Health Insurance Program	93.767	Not Available	94,684
Medical Assistance Program	93.778	Not Available	7,893,298
Passed through State of California Department of Veterans Affairs			
Medical Assistance Program	93.778	Not Available	4,325
Passed through State of California Department of Public Health			
Medical Assistance Program	93.778	Not Available	106,434
Total Medical Assistance Program			<u>8,004,057</u>
Passed through State of California Department of Alcohol and Drug Abuse Programs			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	10-NNA57	1,201,756
Total Department of Health and Human Services			<u>37,143,135</u>
<b><u>Social Security Administration</u></b>			
Direct Program			
Supplemental Security Income	96.006	--	31,600
Total Social Security Administration			<u>31,600</u>
<b><u>Department of Homeland Security</u></b>			
Passed through State of California Emergency Management Agency			
Emergency Management Performance Grants	97.042	2013-047	127,844
State Homeland Security Program (SHSP)	97.073	2010-0085	6,518
State Homeland Security Program (SHSP)	97.073	2011-0077	306,203
State Homeland Security Program (SHSP)	97.073	2012-0123	143,377
Total State Homeland Security Program (SHSP)			<u>456,098</u>
Total Department of Homeland Security			<u>583,942</u>
Total Expenditures of Federal Awards			<u>\$56,128,215</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, 2014

Note A: **General**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) presents the activity of all federal award 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: **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 E: **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 F: **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 federal 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, 2014**

**Note G: 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, 2014. The amounts reported in the Schedule are determined by calculating the federal portion of current year expenditures.

	<b>Expenditures Claimed</b>				<b>Share of</b>
		<b>Cumulative</b>	<b>For the Year</b>	<b>Cumulative</b>	<b>Current Year</b>
	<b>Budget</b>	<b>as of</b>	<b>Ended</b>	<b>as of</b>	<b>Expenditures</b>
	<b>June 30, 2013</b>	<b>June 30, 2014</b>	<b>June 30, 2014</b>	<b>Federal</b>	<b>Share</b>
<b><u>BSCC 631-13 Anti-Drug Abuse</u></b>					
<b><u>Grant Period: 10/1/2013 to 9/30/2014</u></b>					
<b><u>Audit Period: 7/1/2013 to 6/30/2014</u></b>					
<b><u>CFDA#: 16.738</u></b>					
Salaries and benefits	\$107,634	\$ -	\$ 80,726	\$ 80,726	\$ 80,726
Services and supplies	12,500	-	4,644	4,644	4,644
Totals	<u>\$120,134</u>	<u>\$ -</u>	<u>\$ 85,370</u>	<u>\$ 85,370</u>	<u>\$ 85,370</u>
<b><u>BSCC 631-12 Anti-Drug Abuse</u></b>					
<b><u>Grant Period: 10/1/2012 to 9/30/2013</u></b>					
<b><u>Audit Period: 7/1/2013 to 6/30/2014</u></b>					
<b><u>CFDA#: 16.738</u></b>					
Salaries and benefits	\$112,033	\$ 84,024	\$ 28,009	\$ 112,033	\$ 28,009
Services and supplies	12,500	12,500	-	12,500	-
Totals	<u>\$124,533</u>	<u>\$ 96,524</u>	<u>\$ 28,009</u>	<u>\$ 124,533</u>	<u>\$ 28,009</u>
<b><u>BSCC 363-12, Enhanced DMC-TAP II Grant</u></b>					
<b><u>Grant Period: 10/1/2012 to 12/31/2013</u></b>					
<b><u>Audit Period: 7/1/2013 to 6/30/2014</u></b>					
<b><u>CFDA#: 16.540</u></b>					
Personal services	\$ 75,982	\$ 42,276	\$ 33,706	\$ 75,982	\$ 33,706
Services and supplies	18	18	-	18	-
Professional services	74,000	31,453	42,547	74,000	42,547
Totals	<u>\$150,000</u>	<u>\$ 73,747</u>	<u>\$ 76,253</u>	<u>\$ 150,000</u>	<u>\$ 76,253</u>
<b><u>CSA 212-11 Evidence Based Practices Project</u></b>					
<b><u>Grant Period: 10/1/2011 to 9/30/2013</u></b>					
<b><u>Audit Period: 7/1/2013 to 6/30/2014</u></b>					
<b><u>CFDA#: 16.523</u></b>					
Services and supplies	\$ 89	\$ 89	\$ -	\$ 89	\$ -
Professional services	52,614	37,341	15,273	52,614	15,273
Administrative costs	5,963	5,963	-	5,963	-
Data collection	51,411	29,304	22,107	51,411	22,107
Program evaluation	28,386	600	27,786	28,386	27,786
Totals	<u>\$138,463</u>	<u>\$ 73,297</u>	<u>\$ 65,166</u>	<u>\$ 138,463</u>	<u>\$ 65,166</u>

**COUNTY OF YOLO, CALIFORNIA**

**Notes to the Schedule of Expenditures of Federal Awards (Continued)  
For the Year Ended June 30, 2014**

**Note H: Amounts Provided to Subrecipients**

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

CFDA No.	Program Title	Pass-Through Entity	Amount
93.558	Temporary Assistance for Needy Families	City of Davis	\$ 1,481,003
93.569	Community Services Block Grant	United Christian Centers	27,915
93.569	Community Services Block Grant	Yolo Wayfarer	24,006
93.569	Community Services Block Grant	People Resources	11,317
93.569	Community Services Block Grant	Davis Community Meals	52,490
93.569	Community Services Block Grant	Food Bank of Yolo County	44,976
93.569	Community Services Block Grant	Janice Critchlow	2,500
17.259	WIA Youth Activities	Rise Inc.	111,233
			<u>\$ 1,755,440</u>

**Note I: Loan Programs**

The programs listed below had the following aggregate, federally-funded loans receivable outstanding at June 30, 2014. 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 and Non-Entitlement Grants in Hawaii	<u>\$ 7,574,508</u>

**COUNTY OF YOLO, CALIFORNIA**

**Notes to the Schedule of Expenditures of Federal Awards (Continued)  
For the Year Ended June 30, 2014**

**Note J: 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, 2014. The amounts are reported in the Schedule as CFDA No. 93.569.

<b>Contract #13F-3052 2013</b>				
<b>01/01/2013 - 12/31/2013</b>	<b>7/1/2012 -</b>	<b>7/1/2013 -</b>		
<b>Revenues</b>	<b>6/30/2013</b>	<b>6/30/2014</b>	<b>Totals</b>	<b>Budget</b>
Grant revenue	\$ 152,560	\$ 117,773	\$ 270,333	\$ 270,334
<b>Expenditures</b>				
<b>Administrative Costs</b>				
Salaries and wages	\$ 12,328	\$ 2,535	14,863	\$ 14,864
Fringe benefits	8,551	1,519	10,070	10,070
Operating expenses and equipment	1,802	-	1,802	1,802
Other costs	4,093	1,361	5,454	5,454
Subtotal Administrative Costs	<u>26,774</u>	<u>5,415</u>	<u>32,189</u>	<u>32,190</u>
<b>Program Costs</b>				
Salaries and wages	16,751	9,811	26,562	26,562
Fringe benefits	4,143	6,554	10,697	10,697
Other costs	11,153	-	11,153	11,153
Sub-contractors	103,739	85,993	189,732	189,732
Subtotal Program Costs	<u>135,786</u>	<u>102,358</u>	<u>238,144</u>	<u>238,144</u>
Total Expenditures	<u>\$ 162,560</u>	<u>\$ 107,773</u>	<u>\$ 270,333</u>	<u>\$ 270,334</u>
<b>Contract #14F-3052 2014</b>				
<b>01/01/2014 - 12/31/2014</b>	<b>7/1/2012 -</b>	<b>7/1/2013 -</b>		
<b>Revenues</b>	<b>6/30/2013</b>	<b>6/30/2014</b>	<b>Totals</b>	<b>Budget</b>
Grant revenue	\$ -	\$ 101,151	\$ 101,151	\$ 273,802
<b>Expenditures</b>				
<b>Administrative Costs</b>				
Salaries and wages	\$ -	\$ 6,774	\$ 6,774	\$ 12,984
Fringe benefits	-	4,386	4,386	8,544
Operating expenses and equipment	-	625	625	2,655
Other costs	-	1,786	1,786	3,945
Subtotal Administrative Costs	<u>-</u>	<u>13,571</u>	<u>13,571</u>	<u>28,128</u>
<b>Program Costs</b>				
Salaries and wages	-	6,133	6,133	25,315
Fringe benefits	-	4,235	4,235	16,878
Other costs	-	10,953	10,953	12,082
Sub-contractors	-	66,259	66,259	191,399
Subtotal Program Costs	<u>-</u>	<u>87,580</u>	<u>87,580</u>	<u>245,674</u>
Total Expenditures	<u>\$ -</u>	<u>\$ 101,151</u>	<u>\$ 101,151</u>	<u>\$ 273,802</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, 2014, 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 13, 2015. Our report includes a reference to other auditors who audited the financial statements of First 5 Yolo and Yolo County Housing, discretely presented component units, as described in our report on the County's 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.

***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 a material weakness 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 2014-001 and 2014-004 to be a material weakness.

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 2014-002 and 2014-003 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.

*Macias Gini & O'Connell LLP*

Sacramento, California  
May 13, 2015

**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, 2014. 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 \$14,608,982 in federal awards that are not included in the County's schedule of expenditures of federal awards for the year ended June 30, 2014. 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 2014-005 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, 2014.

### ***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, 2014.

### ***Other Matters***

The County's response to the noncompliance 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.

### **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 2014-005 to be a material weaknesses.

*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 2014-006 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, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated May 13, 2015, 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 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.



Sacramento, California  
May 21, 2015



**COUNTY OF YOLO, CALIFORNIA**

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2014

**Section I – Summary of Auditor’s Results**

Financial Statements:

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	Yes
• Significant deficiency(ies) identified?	Yes
Noncompliance material to financial statements noted?	No

Federal Awards:

Internal control over major federal programs:	
• Material weakness(es) identified?	Yes
• Significant deficiency(ies) identified?	Yes
Type of auditor’s report issued on compliance for major federal programs:	
• CFDA Number 93.778 – Medical Assistance Program	Qualified
• 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

Identification of major federal programs:

<b>CFDA Number</b>	<b>Name of Federal Program or Cluster</b>
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
20.205	Highway Planning and Construction
93.658	Foster Care – Title IV-E
93.563	Child Support Enforcement
93.667	Social Services Block Grant
93.778	Medical Assistance Program

Dollar threshold used to distinguish between Type A and Type B programs:	\$1,683,846
Auditee qualified as low-risk auditee?	No

## COUNTY OF YOLO, CALIFORNIA

Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2014

### Section II – Financial Statement Findings

**Reference Number:** 2014-001

#### **Due to Other Governments**

**Criteria:**

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

**Condition:**

The County's Mental Health Managed Care Fund due to other governments was overstated and charges for services revenue was understated by \$1,707,616.

**Context:**

The misstatement accounted for 28% of the pre-adjusted due to other governments balance and 60% of the pre-adjusted charges for services revenue balance.

**Effect:**

As a result of this condition a material audit adjustment debiting due to other governments and crediting charges for services revenue was made to the Mental Health Managed Care Fund.

**Cause:**

The County neglected to update the amount due to other governments to reflect a final settlement received from the state after year-end that had approved County expenditures in excess of what the County had estimated.

**Recommendation:**

The County should improve its year-end close procedures to ensure that information obtained after year-end and prior to the issuance of its financial statements that has a material impact on its financial statements gets reflected in its financial statements.

**Management's Response:**

County Controller staff will continue to reinforce year-end procedures by engaging all department fiscal staff more actively through meetings and workshops.

## COUNTY OF YOLO, CALIFORNIA

### Schedule of Findings and Questioned Costs (Continued) For the Year Ended June 30, 2014

**Reference Number:** 2014-002

#### **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) approximately 9 months after the end of its fiscal year end.

**Context:**

The County's CAFR was issued on May 13, 2015, which was after the GFOA deadline of December 31, 2014.

**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 implementing a new accounting system, 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, 2014

**Management's Response:**

Accounting management and staff have been heavily involved in the implementation of a new financial and human resources system for the County and will continue to be part of the implementation team for this system for another year. We recruited an experienced accountant to assist with the preparation and audit of the County's financial statements and the employee was on board for a few months then left for other opportunities. The County is continuing the recruiting process until qualified candidates can be hired.

## COUNTY OF YOLO, CALIFORNIA

### Schedule of Findings and Questioned Costs (Continued) For the Year Ended June 30, 2014

**Reference Number:** 2014-003

#### **Submission of Single Audit Report**

**Criteria:**

Pursuant to Subpart C, Section .320(a) 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 21, 2015, which was after the required deadline of March 31, 2015.

**Effect:**

The County exposes itself to the risk of granting agencies withholding funding pending the release of the single audit report or 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 May 13, 2015, which caused the single audit report issuance to be delayed.

**Recommendation:**

The County should issue its CAFR in a more timely fashion (see finding 2014-001).

**Management's Response:**

Accounting management and staff have been heavily involved in the implementation of a new financial and human resources system for the County and will continue to be part of the implementation team for this system for another year. We recruited an experienced accountant to assist with the preparation and audit of the County's financial statements and the employee was on board for a few months then left for other opportunities. The County is continuing the recruiting process until qualified candidates can be hired.

## COUNTY OF YOLO, CALIFORNIA

Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2014

**Reference Number:** 2014-004

### Schedule of Expenditures of Federal Awards

#### Criteria:

Pursuant to Subpart C, Section .300(d) of Office of Management and Budget (OMB) Circular A-133, *Audits, of States, Local Governments, and Non-Profit Organizations*, the auditee shall prepare appropriate financial statements, including the schedule of expenditures of federal awards in accordance with section .310. Per Section 310(b)(3), the schedule of expenditures of federal awards shall “provide total Federal awards expended for each individual Federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.”

#### Condition:

The County’s draft schedule of expenditures of federal awards (SEFA) required revisions for the following:

- Foster Care – Title IV-E (CFDA no. 93.658) program expenditures were overstated.
- A portion of the Social Services Block Grant (CFDA no. 93.667) program expenditures were improperly reported as Medical Assistance Program (CFDA no. 93.778) expenditures. Additionally, a portion of the Medical Assistance Program expenditures were incorrectly reported as passed through the State of California Department of Social Services.
- Hospital Preparedness (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements (CFDA no. 93.074) program expenditures were improperly reported as Public Health Emergency Preparedness (CFDA no. 93.069) program expenditures.
- National Bioterrorism Hospital Preparedness Program (CFDA no. 93.889) expenditures were incorrectly reported.
- Juvenile Accountability Block Grants (CFDA no. 16.523) program expenditures were understated.

#### Context:

The Foster Care – Title IV-E program expenditures of \$5,213,310 were overstated by \$1,618,829.

The Social Services Block Grant program expenditures of \$1,087,943 were understated and the Medical Assistance Program expenditures of \$8,860,426 were overstated by \$856,369.

The Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements program expenditures of zero were understated and the Public Health Emergency Preparedness program expenditures of \$422,129 were overstated by \$422,129.

The National Bioterrorism Hospital Preparedness Program expenditures of \$175,770 were overstated by \$175,770.

The Juvenile Accountability Block Grants program expenditures of \$29,117 were understated by \$36,049.

#### Effect:

This condition required adjustments to the SEFA for the overstated and understated amounts identified above. As a result of these adjustments, the Social Services Block Grant program became a Type A program, which then required testing as a major program.

## COUNTY OF YOLO, CALIFORNIA

### Schedule of Findings and Questioned Costs (Continued) For the Year Ended June 30, 2014

#### **Cause:**

The Foster Care – Title IV-E program expenditures overstatement was caused by the Yolo County Department of Employment and Social Services (DESS) SEFA preparer not being notified of an adjustment made to the July 2013 claim.

The Social Services Block Grant program expenditures improperly reported as Medical Assistance Program expenditures was caused by DESS believing that In-Home Supportive Services (IHSS) Public Authority Administration expenditures were part of the Medical Assistance Program.

The HPP and PHEP Aligned Cooperative Agreements program expenditures improperly reported as Public Health Emergency Preparedness program expenditures and the National Bioterrorism Hospital Preparedness Program expenditures incorrectly reported resulted from competing projects and limited resources causing the correct amounts being communicated to the auditors in an untimely manner.

The Juvenile Accountability Block Grants program expenditures understatement was caused by the documentation necessary to compile the program expenditures not being available at the time the draft SEFA was compiled.

#### **Recommendation:**

The County should develop written policies and procedures that document the process for identifying and reporting federal expenditures as it pertains to the SEFA pursuant to the requirements of OMB Circular A-133 so that management or employees, in the normal course of performing their assigned functions, prevent, or detect and correct, omissions and/or misstatements to the SEFA in a timely manner.

#### **Management's Response:**

For the Foster Care – Title IV-E program, appropriate staff will review data compiled for the SEFA before submitting to the Department of Financial Services.

The County has reported the IHSS Public Authority Administration expenditures using the incorrect CDFA number since the inception of the program in fiscal year 2001-02. County staff initiated a call with the funding source to confirm the CFDA number and was notified of the correct number.

County staff notified the auditors that the amounts for the HPP and PHEP Aligned Cooperative Agreements, Public Health Emergency Preparedness, and the National Bioterrorism Hospital Preparedness Program programs in the draft SEFA were subject to change.

The County will include in the SEFA compilation instructions a requirement that departments document that a review of all information provided to compile the SEFA was performed before a countywide draft SEFA is submitted by Department of Financial Services staff to the auditors.

**COUNTY OF YOLO, CALIFORNIA**

Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2014

**Section III – Federal Awards Findings and Questioned Costs**

**Reference Number:** 2014-005  
**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 Health Care Services  
**Award Number and Year:** Not Available; 2012-13  
**Category of Finding:** Eligibility

**Criteria:**

OMB Circular A-133, Subpart C—Auditees, §.300 Auditee responsibilities

The auditee shall:

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

42 Code of Federal Regulations (CFR) §435.2 – PURPOSE AND APPLICABILITY

This part sets forth, for the 50 States, the District of Columbia, the Northern Mariana Islands, and American Samoa—

- (c) The eligibility requirements and procedures that the Medicaid agency must use in determining and redetermining eligibility, and requirements it may not use;

42 CFR §435.916 – PERIODIC RENEWAL OF MEDICAID ELIGIBILITY

- (a) *Renewal of individuals whose Medicaid eligibility is based on modified adjusted gross income methods (MAGI).* (1) Except as provided in paragraph (d) of this section, the eligibility of Medicaid beneficiaries whose financial eligibility is determined using MAGI-based income must be renewed once every 12 months, and no more frequently than once every 12 months.
- (b) *Redetermination of individuals whose Medicaid eligibility is determined on a basis other than modified adjusted gross income.* The agency must redetermine the eligibility of Medicaid beneficiaries excepted from modified adjusted gross income under §435.603(j) of this part, for circumstances that may change, at least every 12 months. The agency must make a redetermination of eligibility in accordance with the provisions of paragraph (a)(2) of this section, if sufficient information is available to do so. The agency may adopt the procedures described at §435.916(a)(3) for individuals whose eligibility cannot be renewed in accordance with paragraph (a)(2) of this section.

**Condition:**

Many of the Medical Assistance Program recipient redetermination of eligibility were completed more than 12 months after their previous redetermination, had not been completed within the previous 12 months, or the documentation of the initial eligibility assessment was incomplete.

**Questioned Costs:**

There are no questioned costs associated with this condition.



## COUNTY OF YOLO, CALIFORNIA

### Schedule of Findings and Questioned Costs (Continued) For the Year Ended June 30, 2014

**Context:**

19 out of 60 IHSS program cases tested did not have a redetermination of eligibility performed within the required time frame. Of the 40 Medical program cases tested, 6 had not had a redetermination of eligibility within the required time frame and/or did not have evidence of the initial determination of eligibility.

**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 or to follow established policies for document retention.

**Recommendation:**

The County should develop and/or hire the resources necessary so that established policies and procedures are operating as designed.

**Management Response and Corrective Action Plan:**

Since July 2014, the Yolo County Department of Employment and Social Services' (DESS) overall compliance rate for reassessments has increased from 65.72% to 77.59% in December 2014. DESS staff continue to work overtime in an effort to become fully compliant in timely IHSS reassessments. DESS acknowledges the importance of timely IHSS reassessments and continues to make this a high priority and is confident our effort will be successful in the 2015 calendar year.

**COUNTY OF YOLO, CALIFORNIA**

Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2014

**Reference Number:** 2014-006  
**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  
**Award Number and Year:** Not Available; 2012-13  
**Category of Finding:** Eligibility

**Criteria:**

OMB Circular A-133, Subpart C—Auditees, §.300 Auditee responsibilities

The auditee shall:

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

**Condition:**

The County was properly requesting the Income Eligibility Verification System (IEVS) reports on an annual basis, however, County caseworkers were not completing an electronic signature indicating the IEVS reports were reviewed during 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 11 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.

**Recommendation:**

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

**Management Response and Corrective Action Plan:**

Due to high workload and staff turnover, a refresher training will be conducted at the next Medi-Cal Program meeting in June 2015. The importance of IEVS processing and documentation will also be reinforced in our current and future induction trainings.

# COUNTY OF YOLO, CALIFORNIA

## Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2014

### 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 4<sup>th</sup> 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.

**Status:**

No audit adjustments were necessary for the year ended June 30, 2014 financial statements, therefore this recommendation is considered implemented.

**COUNTY OF YOLO, CALIFORNIA**

Summary Schedule of Prior Audit Findings (Continued)  
For the Year Ended June 30, 2014

**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.

**Status:**

No audit adjustments were necessary for the year ended June 30, 2014 financial statements, therefore this recommendation is considered implemented.

## COUNTY OF YOLO, CALIFORNIA

Summary Schedule of Prior Audit Findings (Continued)  
For the Year Ended June 30, 2014

**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

Summary Schedule of Prior Audit Findings (Continued)  
For the Year Ended June 30, 2014

**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.

**Status:**

The County's CAFR for the year ended June 30, 2014 was issued on May 13, 2015, therefore this recommendation continues (see current year finding 2014-002).

## COUNTY OF YOLO, CALIFORNIA

Summary Schedule of Prior Audit Findings (Continued)  
For the Year Ended June 30, 2014

**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.

#### **Status:**

For the year ended June 30, 2014, the County's Single Audit Reporting Package was submitted to the Federal Audit Clearinghouse shortly after the Single Audit Report was issued on May 21, 2015, therefore this recommendation continues (see current year finding 2014-003).

## COUNTY OF YOLO, CALIFORNIA

Summary Schedule of Prior Audit Findings (Continued)  
For the Year Ended June 30, 2014

### Federal Awards Findings and Questioned Costs

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

#### **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

### Summary Schedule of Prior Audit Findings (Continued) For the Year Ended June 30, 2014

#### **Management Response and Corrective Action Plan:**

In fiscal year 2012/13, the IHSS program at 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.

#### **Status:**

For the year ended June 30, 2014, 25 cases were noted with exceptions, therefore this recommendation continues (see current year finding 2014-005).

## COUNTY OF YOLO, CALIFORNIA

Summary Schedule of Prior Audit Findings (Continued)  
For the Year Ended June 30, 2014

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

### **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.

### **Recommendation:**

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

**COUNTY OF YOLO, CALIFORNIA**

Summary Schedule of Prior Audit Findings (Continued)  
For the Year Ended June 30, 2014

**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.

**Status:**

For the year ended June 30, 2014, 11 cases were noted with exceptions, therefore this recommendation continues (see current year finding 2014-006).

## COUNTY OF YOLO, CALIFORNIA

Summary Schedule of Prior Audit Findings (Continued)  
For the Year Ended June 30, 2014

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

### **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, 2014

**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 implemented policies and procedures to ensure a formalized review process of the submitted reports noted in this finding, therefore this recommendation is considered implemented.