

**COUNTY OF MENDOCINO  
SINGLE AUDIT REPORT  
FOR THE YEAR ENDED  
JUNE 30, 2015**

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**COUNTY OF MENDOCINO**

Single Audit Report  
For the Year Ended June 30, 2015

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**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**

Board of Supervisors and Grand Jury  
County of Mendocino  
Ukiah, 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, each major fund, and the aggregate remaining fund information of the County of Mendocino (County) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 22, 2015.

**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 findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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 deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness. (2015-001)

**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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Board of Supervisors and Grand Jury  
County of Mendocino  
Ukiah, California

### **County's Response to Finding**

The County's response to the 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 the financial statements and, accordingly, we express no opinion on it.

### **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 result 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.

A handwritten signature in cursive script that reads "Gallina LLP".

Roseville, California  
December 22, 2015



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133**

Board of Supervisors and Grand Jury  
County of Mendocino  
Ukiah, California

**Report on Compliance for Each Major Federal Program**

We have audited the County of Mendocino'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, 2015. 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.

***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.

Board of Supervisors and Grand Jury  
County of Mendocino  
Ukiah, California

### ***Unmodified Opinion on Each Major Federal Program***

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 major federal programs for the year ended June 30, 2015.

### **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 County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.



Board of Supervisors and Grand Jury  
County of Mendocino  
Ukiah, California

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended June 30, 2015, and have issued our report thereon dated December 22, 2015, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. 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 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 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 financial statements or to the 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 expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

**Other Matters**

The Schedule of the Governor's Office of Emergency Services Grant Expenditures has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on it.



Roseville, California  
December 28, 2015 except for the Schedule  
of Expenditures of Federal Awards, which is  
dated December 22, 2015

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**COUNTY OF MENDOCINO**

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Agriculture</u>			
Passed through State Department of Food and Agriculture:			
Plant and Animal Disease, Pest Control, and Animal Care:			
Pierce's Disease Control Program	10.025	14-0298-SF	\$ 17,515
Sudden Oak Death	10.025	14-0398-SF	10,797
European Grapevine Moth Trapping	10.025	13-0444-SF	29,840
European Grapevine Moth Trapping	10.025	14-0556-SF	86,555
Light Brown Apple Moth Trapping	10.025	14-0463-SF	25,483
Light Brown Apple Moth Trapping	10.025	13-0456-SF	5,923
Light Brown Apple Moth Quarantine Regulatory	10.025	13-0562-SF	14,431
Light Brown Apple Moth Quarantine Regulatory	10.025	14-0492-SF	9,731
Subtotal CFDA 10.025			<u>200,275</u>
Passed through State Department of Social Services:			
State Administrative Matching Grants for the			
Supplemental Nutrition Assistance Program	10.561	--	1,792,893
SNAP Ed CDPH-NEOP Branch	10.561	13-20517	239,808
Subtotal CFDA 10.561			<u>2,032,701</u>
Passed through State Department of Health Services:			
Special Supplemental Nutrition Program for Women,	10.557	11-10450	<u>975,490</u>
Total U.S. Department of Agriculture			<u>\$ 3,208,466</u>
<u>U.S. Department of Housing and Urban Development</u>			
Direct program:			
Supportive Housing Program-Transitional Housing	14.235	--	125,817
Supportive Housing Program-Seamless Transitional	14.235	--	180,247
Subtotal CFDA 14.235			<u>306,064</u>
Passed through State Department of Housing and Community			
Development:			
Community Development Block Grants/State's Program	14.228	--	<u>191,445</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 497,509</u>
<u>U.S. Department of Interior</u>			
Direct program:			
Federal Grazing Fee	15.000	10-95348	<u>1,138</u>
Total U.S. Department of Interior			<u>\$ 1,138</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF MENDOCINO**

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Justice</u>			
Direct programs:			
Cannabis Eradication	16.922	--	\$ 75,000
State Criminal Alien Assistance Program	16.606	--	32,383
Byrne Justice Assistance Grant Program	16.738	--	21,530
Anti-Drug Abuse Enforcement - Byrne/JAG	16.579	--	17,568
Subtotal Direct			<u>146,481</u>
Passed through California Emergency Management Agency:			
Victim Witness Assistance Program	16.575	VW13320230	<u>63,167</u>
Total U.S. Department of Justice			<u>\$ 209,648</u>
<u>U.S. Department of Labor</u>			
Passed through State Employment Development Department:			
Workforce Investment Act (Title 1 Adult Formula)	17.258	--	673,291
Workforce Investment Act (Title 1 Youth Formula)	17.259	--	186,650
Workforce Investment Act (Title 1 Dislocated Worker)	17.278	--	354,388
Total U.S. Department of Labor			<u>\$ 1,214,329</u>
<u>U.S. Department of Transportation</u>			
Direct program:			
Airport Improvement Program	20.106	3-06-0121-10	<u>328,593</u>
Passed through State Department of Transportation:			
Highway Planning and Construction	20.205	BRLSZD 5910(039)	2,490,379
Highway Planning and Construction	20.205	BRLSZD 5910(042)	15,506
Highway Planning and Construction	20.205	BRLRT 5910(041)	49,469
Highway Planning and Construction	20.205	BHLS 5910(081)	96,339
Highway Planning and Construction	20.205	BRLO 5910(096)	13,244
Highway Planning and Construction	20.205	BRLO 5910(077)	83,718
Highway Planning and Construction	20.205	BRLO 5910(076)	100,345
Highway Planning and Construction	20.205	BRLO 5910(083)	6,160
Highway Planning and Construction	20.205	BRLO 5910(084)	46,933
Highway Planning and Construction	20.205	BRLO 5910(082)	33,522
Highway Planning and Construction	20.205	BRLO 5910(086)	213,814
Highway Planning and Construction	20.205	BRLO 5910(085)	17,966
Highway Planning and Construction	20.205	BPMP 5910(087)	18,492
Highway Planning and Construction	20.205	BRLO 5910(091)	5,742
Highway Planning and Construction	20.205	BRLO 5910(093)	15,071
Highway Planning and Construction	20.205	ER 4404(014)	15,964
Highway Planning and Construction	20.205	ER 20A1(015)PR	444,328
Highway Planning and Construction	20.205	ER 20A1(011)PR	242,354
Highway Planning and Construction	20.205	ER 20A1(013)PR	380,926

See accompanying notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF MENDOCINO**

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Transportation (continued)</u>			
Passed through State Department of Transportation (continued):			
Highway Planning and Construction	20.205	ER 20A1(026)PR	\$ 4,679
Highway Planning and Construction	20.205	ER 20A1(007)PR	3,891
Highway Planning and Construction	20.205	ER 20A1(005)PR	9,136
Highway Planning and Construction	20.205	ER 20A1(003)PR	27,306
Highway Planning and Construction	20.205	ER 20A1(001)PR	16,139
Highway Planning and Construction	20.205	ER 20A1(024)PR	54,521
Highway Planning and Construction	20.205	ER 20A1(017)PR	50,033
Highway Planning and Construction	20.205	ER 20A1(019)PR	45,476
Subtotal CFDA 20.205			<u>4,501,453</u>
Total U.S. Department of Transportation			<u>\$ 4,830,046</u>
<u>U.S. Department of Environmental Protection Agency</u>			
Passed through State Department Water Control Board:			
Water Quality Management Planning	66.460	07-501-551-3	28,377
Passed through State Air Pollution Control Officers Association:			
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	--	<u>45,535</u>
Total U.S. Department of Environmental Protection Agency			<u>\$ 73,912</u>
<u>U.S. Department of Health and Human Services</u>			
Direct programs:			
Enhance the Safety of Children Affected by Parental Methamphetamine	93.087	--	35,094
Substance Abuse and Mental Health Services Projects	93.243	1-H79SP015269-02	36,761
Immunization Grants	93.268	11-10584	28,675
Drug Free Communities Support Program	93.276	1H79SP018206-01	118,265
Subtotal Direct			<u>218,795</u>
Passed through State Department of Child Support Services:			
Child Support Enforcement	93.563	--	1,604,312
Passed through State Department of Social Services:			
Temporary Assistance for Needy Families	93.558	--	6,581,546
Guardianship ASSISTANCE (KinGap IV-E Admin)	93.090		6,913
Foster Care – Title IV-E	93.658	--	7,276,376
Passed through State Department of Health Services:			
Foster Care - Title IV-E	93.658	--	397,660
Total CFDA 93.658			<u>7,674,036</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF MENDOCINO**

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Health and Human Services (continued)</u>			
Adoption Assistance Program	93.659	--	\$ 2,694,448
Promoting Safe and Stable Families	93.556	--	76,215
Child Welfare Services – State Grants	93.645	--	143,818
CWS Title XX	93.667	--	58,388
Independent Living Program	93.674	--	62,914
Subtotal Pass-through			<u>18,902,590</u>
Passed through State Department of Health Care Services:			
Child Health and Disability Prevention Program	93.994	--	82,094
Health Care Program for Children in Foster Care	93.994	--	15,940
Subtotal CFDA 93.994			<u>98,034</u>
Maternal and Child Health Services	93.110	201323-MCAH	308,470
Medical Assistance Program - IHSS	93.778	--	1,294,147
Medical Assistance Program - DHS Medi-Cal (Federal 50%)	93.778	--	1,955,462
Subtotal Pass-through			<u>3,558,079</u>
Passed through State Department of Public Health:			
CDC - National Center for Chronic Disease Prev & Health Promo	93.531	--	106,648
Public Health Emergency Preparedness	93.069	EPO 13-23	122,018
Hospital Preparedness Program	93.889	EPO HPP 13-23	165,090
Subtotal Pass-through			<u>393,756</u>
Passed through the State Department of Mental Health:			
Projects for Assistance in Transition from Homelessness	93.150	--	17,351
Substance Abuse Mental Health Services Administration	93.958	--	82,511
Subtotal Pass-through			<u>99,862</u>
Passed through State Department of Alcohol and Drug Abuse Programs:			
Block Grants for Prevention and Treatment of Substance	93.959	11 NNA-23	725,631
Federal Drug Medi-Cal	93.778	NNA23	56,111
Subtotal Pass-through			<u>781,742</u>
Total Department of Health and Human Services			<u>\$ 24,052,858</u>
<u>U.S. Department of Homeland Security</u>			
Passed through California Emergency Management Agency:			
EMPG	97.042	--	147,138
Total Department of Homeland Security			<u>\$ 147,138</u>
<b>Total Expenditures of Federal Awards</b>			<u><u>\$ 34,235,044</u></u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

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**COUNTY OF MENDOCINO**

Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2015

**NOTE 1: REPORTING ENTITY**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the County of Mendocino (County). The County's reporting entity is defined in Note 1 to the County's basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the schedule.

**NOTE 2: BASIS OF ACCOUNTING**

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

**NOTE 3: RELATIONSHIP TO FINANCIAL STATEMENTS**

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

**NOTE 4: SUBRECIPIENTS**

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

<u>Federal CFDA Number</u>	<u>Program Title</u>	<u>Amount Provided to Subrecipients</u>
10.557	Special Supplemental Nutrition Program for Woman, Infants, and Children	\$ 975,490
14.235	Supportive Housing Program Seamless Transitional Empowerment Program	125,817
14.235	Supportive Housing Program Transitional Housing	180,247
17.258, 17.259, 17.278	Workforce Investment Act (WIA) Cluster	<u>1,085,649</u>
	Total	<u>\$ 2,367,203</u>



**COUNTY OF MENDOCINO**

Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2015

**NOTE 5: PROGRAM CLUSTERS**

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

<u>Federal CFDA</u>	<u>Program Title</u>	<u>Federal Expenditures</u>
17.258	WIA Title I Adult Formula	\$ 673,291
17.259	WIA Title I Youth Formula	186,650
17.278	WIA Title I Dislocated Worker Formula Grant	<u>354,388</u>
		<u><u>\$ 1,214,329</u></u>

**NOTE 6: PASS-THROUGH ENTITIES' IDENTIFYING NUMBER**

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

**NOTE 7: TOTAL FEDERAL AWARDS EXPENDED BY CFDA NUMBER**

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

<u>CFDA No.</u>	<u>Total Federal Expenditures</u>
93.778	\$ 3,305,720

**COUNTY OF MENDOCINO**

Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2015

**Section 1**

Summary of Auditor's Results

Financial Statements

- |  |               |
|--|---------------|
| 1. Type of auditor's report issued:  | Unmodified    |
| 2. Internal control over financial reporting:                                    |               |
| a. Material weaknesses identified?   | Yes           |
| b. Significant deficiencies identified not considered to be material weaknesses? | None Reported |
| 3. Noncompliance material to financial statements noted?                         | No            |

Federal Awards

- |   |               |
|---|---------------|
| 1. Internal controls over major program:  |               |
| a. Material weaknesses identified?  | No            |
| b. Significant deficiencies identified not considered to be material weaknesses?  | None Reported |
| 2. Type of auditor's report issued on compliance for major programs:  |               |
| All major programs  | Unmodified    |
| 3. Any audit findings disclosed that are required to be reported in accordance with Circular OMB A-133, Section 510(a)? | No            |
| 4. Identification of major program:   |               |

<u>CFDA Number</u>	<u>Name of Federal Program</u>
17.258, 17.259, 17.278	Workforce Investment Act (WIA) Cluster
20.205	Highway Planning and Construction
93.558	Temporary Assistance for Needy Families
93.658	Foster Care – Title IV-E

- |   |              |
|---|--------------|
| 5. Dollar threshold used to distinguish between Type A and Type B programs.       | \$ 1,027,051 |
| 6. Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 530? | No           |

**COUNTY OF MENDOCINO**

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2015

**Section 2**

Financial Statement Findings

Governmental Trust Funds

2015-001

**Section 3**

Federal Award Findings and Questioned Costs

None Reported

## COUNTY OF MENDOCINO

### Schedule of Findings and Questioned Costs For the Year Ended June 30, 2015

**Reference Number** 2015-001

#### *Governmental Trust Funds*

#### Criteria

Under Governmental Accounting Standards Board (GASB) Statement No. 34, amounts formally held in trust but used to support the County's own programs should be reported as funds within the County's reporting entity so as to ensure all economic resources that can be used by the County are reported in their financial statements. Activity in these accounts is required to be included in the County's reporting entity, either as additional funds or transactions in existing county funds.

Use of the agency fund type is limited to resources the County holds purely in a custodial capacity for individuals or other organizations, such as school districts and special districts not governed by the County Board of Supervisors.

#### Condition

The County accounts for several agency funds in one consolidated fund. This fund includes accounts holding resources that cannot be used to support County functions and activities, but it also contains accounts holding resources belonging to the County. As of June 30, 2015, this consolidated fund contained pooled cash and investments of \$780 thousand, that actually belonged to County programs and were reclassified to the General Fund in the audited financial statements.

#### Cause

Before GASB 34 took effect, the County's current treatment was permitted. Although reporting requirements have changed, the County still has a need to account for these resources separately from other general fund resources.

#### Effect of Condition

By excluding transaction activity in these funds, balances for revenues and expenses in the County's own financial reports (including budgetary reports) are not complete.

There is the potential to double report revenues when resources are transferred into operating funds. Not using the accounting system to control the flow of revenues increases the potential for reporting revenues twice.

As the County does not budget for any activity occurring in agency funds, any deviations from the adopted budget are not apparent until well after the end of the fiscal year and thus cannot be addressed when they occur.

#### Recommendation

For each account identified as holding resources available to support County functions and activities, we recommend the Auditor-Controller's Office create a new fund in its accounting system having the full functionality of reporting revenues and expenditures.

#### Management Response

We continue to research this recommendation. Agency funds remain in trust until they are transferred to the departments. At that point they are recognized as revenues.

**COUNTY OF MENDOCINO**

Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2015

<b>Reference Number</b>	2014-002
<b>Federal Program Title</b>	Temporary Assistance for Needy Families
<b>CFDA Number</b>	93.558
<b>Federal Agency</b>	U.S. Department of Health and Human Services
<b>Pass Through Entity</b>	State Department of Social Services
<b>Compliance Requirements</b>	Eligibility and Special Tests and Provisions

Recommendation

We recommend the County instruct its eligibility staff to ensure all applicants provide the required documents for all individuals apply for aid in accordance with federal policies and procedures to prove birth, age, and citizenship is obtained and placed in the case before approving federal TANF benefits. When any case is identified which does not have the required documents to prove birth, age and citizenship, we recommend a Program Manager review the case to ensure the aid code assigned to the case is correct.

Status

Recommendation no longer noted in the current year.

**COUNTY OF MENDOCINO**

Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2015

<b>Reference Number</b>	2014-003
<b>Federal Program Title</b>	Temporary Assistance for Needy Families
<b>CFDA Number</b>	93.558
<b>Federal Agency</b>	U.S. Department of Health and Human Services
<b>Pass Through Entity</b>	State Department of Social Services
<b>Compliance Requirements</b>	Eligibility and Special Tests and Provisions

Recommendation

We recommend the County review the OMB's requirements for properly issuing, receiving and reviewing completed income reports from their clients and applicants and use them in determining eligibility before TANF benefits are issued to them.

Status

Recommendation no longer noted in the current year.

**COUNTY OF MENDOCINO**

Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2015

<b>Reference Number</b>	2014-004
<b>Federal Program Title</b>	Temporary Assistance for Needy Families
<b>CFDA Number</b>	93.558
<b>Federal Agency</b>	U.S. Department of Health and Human Services
<b>Pass Through Entity</b>	State Department of Social Services
<b>Compliance Requirements</b>	Eligibility and Special Tests and Provisions

Recommendation

We recommend the County review its current system of oversight to ensure that the sixty-month, time-on-aid limit using federal funds is not exceeded.

Status

Recommendation no longer noted in the current year

**COUNTY OF MENDOCINO**

Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2015

<b>Reference Number</b>	2014-005
<b>Federal Program Title</b>	Temporary Assistance for Needy Families
<b>CFDA Number</b>	93.558
<b>Federal Agency</b>	U.S. Department of Health and Human Services
<b>Pass Through Entity</b>	State Department of Social Services
<b>Compliance Requirements</b>	Eligibility and Special Tests and Provisions

Recommendation

We recommend that the County review its current system to ensure timely reviews are being completed and cleared on all discrepancies reported on the IEVS finding search report.

Status

Recommendation no longer noted in the current year.



**COUNTY OF MENDOCINO**

Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2015

<b>Reference Number</b>	2014-006
<b>Federal Program Title</b>	Workforce Investment Act (WIA) Cluster
<b>CFDA Number(s)</b>	17.258, 17.259, 17.278
<b>Federal Agency</b>	U.S. Department of Labor
<b>Pass-Through Entity</b>	State Employment Development Department
<b>Compliance Requirement</b>	Subrecipient Monitoring

Recommendation

We recommend that the County develop an oversight and monitoring plan which is in accordance with the requirements of the OMB Compliance Supplement and that each subrecipient has an onsite monitoring performed at least once every two years. Some of the steps in the monitoring process include:

- Develop an oversight and monitoring plan at the beginning of each program year in order to match available resources with the needs and capacity of funded subrecipients.
- Standardize monitoring procedures designed to ensure consistency and thoroughness in oversight and monitoring reviews. Grantees should use standardized monitoring checklists. Oversight and monitoring procedures should also specify the steps to be followed for oversight and monitoring visits.

Status

Recommendation no longer noted in the current year.

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**SUPPLEMENTARY SCHEDULE  
OF  
THE GOVERNOR'S OFFICE OF EMERGENCY SERVICES  
GRANT EXPENDITURES**

**COUNTY OF MENDOCINO**

Schedule of  
the Governor's Office of Emergency Services  
Grant Expenditures  
For the Year Ended June 30, 2015

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2014	For the Year Ended June 30, 2015	Cumulative As of June 30, 2015	Federal Share	State Share	County Share
Victim Witness Assistance Program - VW13320230						
Personal services	\$ --	\$ 63,167	\$ 63,167	\$ 63,167	\$ --	\$ --
Totals	\$ --	\$ 63,167	\$ 63,167	\$ 63,167	\$ --	\$ --

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