

COUNTY OF MENDOCINO
SINGLE AUDIT REPORT
JUNE 30, 2011

COUNTY OF MENDOCINO

Single Audit Report
For the Year Ended June 30, 2011

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GALLINA LLP

CERTIFIED PUBLIC ACCOUNTANTS

**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 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, 2011, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 29, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questions costs, we identified a deficiency in internal control over financial reporting that we consider to be a material weakness.

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 County'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 as item 11-FS-1 to be a material weakness.

Board of Supervisors and Grand Jury
County of Mendocino

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the County in a separate letter dated March 29, 2012.

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and accordingly, we express no opinion on the response.

This report is intended solely for the information and use of management, the Board of Supervisors, the Grand Jury and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specific parties.



Roseville, California
March 29, 2012



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL
EFFECT ON EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of the County of Mendocino (County), with the types of compliance requirements described in the *U.S. Office of Management and Budget (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, 2011. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the 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, 2011.

Board of Supervisors and Grand Jury
County of Mendocino

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the accompanying financial statements of the government activities, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended June 30, 2011, and have issued our report thereon dated March 29, 2012, which contained unqualified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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.

Board of Supervisors and Grand Jury
County of Mendocino

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 information is fairly stated in all material respects in relation to the financial statements as a whole.

The Supplementary Schedules of the California Emergency Management Agency Grants Expenditures have not been subjected to auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the Board of Supervisors, the Grand Jury and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specific parties.



Roseville, California
March 29, 2012

COUNTY OF MENDOCINO

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

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	10-0337	\$ 25,419
Sudden Oak Death	10.025	10-0508	18,358
European Grapevine Moth Quarantine	10.025	10-0027-SF	25,647
European Grapevine Moth Quarantine	10.025	09-0862	37,356
European Grapevine Moth Quarantine	10.025	10-0082-SF	18,095
European Grapevine Moth Trapping	10.025	10-0654	40,647
European Grapevine Moth Trapping	10.025	10-0122-SF	114,071
Subtotal CFDA 10.025			<u>279,593</u>
ARRA - Recovery Act of 2009: Wildland Fire Management	10.688	09-0561	<u>10,271</u>
<u>Passed through State Department of Social Services:</u>			
State Administrative Matching Grants for the			
Supplemental Nutrition Assistance Program	10.561	--	1,787,865
ARRA - State Administrative Matching Grants for the			
Supplemental Nutrition Assistance Program	10.561	--	49,501
Subtotal CFDA 10.561			<u>1,837,366</u>
<u>Passed through State Department of Health Services:</u>			
Special Supplemental Nutrition Program for Women, Infants, and Children(WIC)	10.557	08-85428	<u>916,745</u>
Passed through State Controller's Office:			
Schools and Roads - Grants to States	10.665	--	<u>221,771</u>
Total U.S. Department of Agriculture			\$ <u>3,265,746</u>
<u>U.S. Department of Commerce</u>			
Passed through State Department of Public Health:			
Hospital Preparedness Program - H1N1	11.133L	HPP Grant Year 8	5,402
Public Health Emergency Preparedness - PHER	11.206	CDC Grant Year 10	282,297
Subtotal Pass-through			<u>287,699</u>
Passed through National Association of Counties:			
ARRA - Habitat Conservation	11.463	DOC.749.01	<u>151,871</u>
Total U.S. Department of Commerce			\$ <u>439,570</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, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Housing and Urban Development</u>			
Direct program:			
Supportive Housing Program-Transitional Housing	14.235	--	\$ 102,348
Supportive Housing Program-Seamless Transitional Empowerment Program	14.235	--	192,856
Subtotal Direct			<u>295,204</u>
Passed through State Department of Housing and Community Development:			
Community Development Block Grants/State's Program	14.228	--	264,593
HOME Investment Partnerships Program	14.239	--	398,446
ARRA - Homeless Prevention and Rapid Re-Housing Program	14.257	--	641,993
Subtotal Pass-through			<u>1,305,032</u>
Total U.S. Department of Housing and Urban Development			\$ <u>1,600,236</u>
<u>U.S. Department of Interior</u>			
Direct program:			
Payment in Lieu of Taxes	15.226	--	445,812
Passed through State Department of Public Health:			
Federal Grazing Fee	15.000	10-95348	495
Total U.S. Department of Interior			\$ <u>446,307</u>
<u>U.S. Department of Justice</u>			
Direct programs:			
Cannabis Eradication	16.579	--	319,090
State Criminal Alien Assistance Program	16.606	--	117,927
COPS Technology Program	16.710	--	198,303
COPS Round Valley Cooperative Agreement	16.710	--	183,180
Subtotal CFDA 16.710			<u>381,483</u>
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government	16.804	--	139,858
Edward Byrne Justice Assistance Grant Program	16.738	--	40,175
ARRA - Rural Law Enforcement Program	16.810	--	1,745,331
Subtotal Direct			<u>2,743,864</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, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Justice (continued)</u>			
Passed through California Emergency Management Agency: Anti-Drug Abuse Enforcement Program	16.579	DC10210230	\$ 151,479
Special Emphasis Victim Assistance Program	16.575	SE09120230	27,501
Victim Witness Assistance Program	16.575	VW10290230	61,338
Subtotal CFDA 16.575			<u>88,839</u>
VOCA Stimulus Victim Witness Assistance ARRA - Anti-Drug Abuse Enforcement Program	16.801 16.579	VS09010230 ZA09010230	6,732 154,342
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories	16.803	ZP09010230	52,585
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories	16.803	--	38,341
Subtotal CFDA 16.803			<u>90,926</u>
ARRA - JAG - CDCI ARRA - JAG	16.804 16.804	DI-10-01-0230 Z-09-01-0230	34,162 89,784
Subtotal Pass-through			<u>616,264</u>
Passed through Corrections Standards Authority: Juvenile Accountability Block Grant	16.523	141-09 AMYVPT	2,990
Total U.S. Department of Justice			\$ 3,363,118
<u>U.S. Department of Labor</u>			
Passed through State Employment Development Department: ARRA - Workforce Investment Act	17.260	--	630,096
Workforce Investment Act	17.278	--	1,415,827
Total U.S. Department of Labor			\$ 2,045,923
<u>U.S. Department of Transportation</u>			
Direct program: Airport Improvement Program	20.106	3-06-0121-05	\$ 133,603
Airport Improvement Program	20.106	3-06-0056-03	8,598
Airport Improvement Program	20.106	3-06-0056-04	50,408
Subtotal CFDA 20.106			<u>192,609</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, 2011

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:			
Highway Planning and Construction	20.205	BRLSZD 5910(039)	\$ 248,240
Highway Planning and Construction	20.205	BRLSZD 5910(042)	64,916
Highway Planning and Construction	20.205	BRLRT 5910(041)	77,841
Highway Planning and Construction	20.205	BRLS 5910(067)	10,437
Highway Planning and Construction	20.205	BPMP 5910(066)	2,294
Highway Planning and Construction	20.205	SPOA 5910(078)	6,539
Highway Planning and Construction	20.205	BHLS 5910(081)	27,073
Highway Planning and Construction	20.205	BRLO 5910(068)	171,518
Highway Planning and Construction	20.205	BRLO 5910(068)	17,013
Highway Planning and Construction	20.205	BRLO 5910(077)	13,181
Highway Planning and Construction	20.205	BRLO 5910(076)	4,414
Highway Planning and Construction	20.205	BRLO 5910(083)	6,244
Highway Planning and Construction	20.205	BRLO 5910(084)	7,158
Highway Planning and Construction	20.205	BRLO 5910(082)	5,859
Highway Planning and Construction	20.205	BRLO 5910(086)	18,186
Highway Planning and Construction	20.205	BRLO 5910(085)	3,139
Highway Planning and Construction	20.205	BPMP 5910(087)	1,099
Highway Planning and Construction	20.205	ER 4404(006-034)	1,408,868
ARRA - Highway Planning and Construction	20.205	ER 20A1(001-024)	84,603
ARRA - Highway Planning and Construction	20.205	ESPL 5910(071)	41,549
ARRA - Highway Planning and Construction	20.205	ESPL 5910(079)	1,020
Subtotal CFDA 20.205			<u>2,221,191</u>
Passed through State Office of Traffic Safety:			
State and Community Highway Safety	20.600	AL0809	88,268
Total U.S. Department of Transportation			\$ 2,502,068
<u>U.S. Department of Environmental Protection Agency</u>			
Passed through State Department Water Control Board:			
Water Quality Management Planning	66.454	07-501-551-01	\$ 29,017
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>17,000</u>
Total U.S. Department of Environmental Protection Agency			\$ 46,017

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, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/Expenditures
<u>U.S. Department of Education</u>			
Passed through the Ukiah Unified School District:			
GRAA - CLEAR Grant	84.184A	--	\$ 221,494
Total U.S. Department of Education			\$ 221,494
<u>U.S. Department of Health and Human Services</u>			
Direct programs:			
Enhance the Safety of Children Affected by Parental Methamphetamine	93.087	--	321,029
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1-H79SP015269-02	51,506
Immunization Grants	93.268	--	58,000
Drug Free Communities Support Program	93.276	2-H79SP13148-08	97,106
Early Retiree Reinsurance Program	93.546	--	334,168
Subtotal Direct			861,809
Passed through State Department of Child Support Services:			
Child Support Enforcement	93.563	--	1,659,577
ARRA - Child Support Enforcement	93.563	--	78,441
Subtotal CFDA 93.563			1,738,018
Passed through State Department of Social Services:			
Temporary Assistance for Needy Families	93.558	--	\$ 8,883,960
ARRA - Emergency Contingency Fund for Temporary Assistance to Needy Families	93.714	--	15,210
Subtotal TANF Cluster			8,899,170
Foster Care - Title IV-E	93.658	--	6,667,342
ARRA - Foster Care - Title IV-E	93.658	--	242,715
Subtotal CFDA 93.658			6,910,057
Adoption Assistance Program	93.659	--	1,902,764
ARRA - Adoption Assistance Program	93.659	--	142,145
Subtotal CFDA 93.659			2,044,909

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, 2011

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>			
Passed through State Department of Social Services (continued):			
Guardianship Assistance	93.090	--	\$ 4,032
Promoting Safe and Stable Families	93.556	--	62,066
Refugee and Entrant Assistance State Administered Programs	93.566	--	5,979
Child Welfare Services - State Grants	93.645	--	151,245
In Home Supportive Services	93.667	--	176,234
Independent Living Program	93.674	--	69,889
Subtotal Pass-through			<u>18,323,581</u>
Passed through State Department of Health Care Services:			
Child Health and Disability Prevention Program	93.994	--	153,374
Health Care Program for Children in Foster Care	93.994	--	68,098
Subtotal CFDA 93.994			<u>221,472</u>
Maternal and Child Health Services			
Adolescent Family Life Program	93.110	200923	171,679
Childhood Lead Poisoning Prevention Program	93.111	200923	68,377
Family Planning Services	93.197	08-85069	37,037
Medical Assistance Program	93.217	--	139,087
Subtotal Pass-through	93.778	--	<u>2,357,472</u>
Passed through State Department of Public Health:			
Ocean Monitoring Grant	93.000	10-95348	23,630
Public Health Emergency Preparedness			
Public Health Emergency Preparedness	93.069	EPO CDC 09-23	186,607
Public Health Emergency Preparedness	93.069	EPO CDC 07-23	470
Public Health Emergency Preparedness	93.069	EPO CDC 08-23	10,937
Public Health Emergency Preparedness	93.069	EPO CDC 10-24	307,898
Subtotal CFDA 93.069			<u>505,912</u>
Hospital Preparedness Program			
Hospital Preparedness Program	93.889	EPO HPP 07-23	29,867
Hospital Preparedness Program	93.889	EPO HPP 08-23	129,269
Hospital Preparedness Program	93.889	EPO HPP 10-23	114
Hospital Preparedness Program	93.889	EPO 06-23	25,344
Subtotal CFDA 93.889			<u>184,594</u>
HIV Care Formula Grants - Ryan White	93.917	2010-2011	71,745
Subtotal Pass-through			<u>785,881</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, 2011

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>			
Passed through the State Department of Mental Health:			
Projects for Assistance in Transition from Homelessness	93.150	--	\$ 21,114
Substance Abuse Mental Health Services Administration	93.958	--	44,218
Subtotal Pass-through			<u>65,332</u>
Passed through State Department of Alcohol and Drug Abuse Programs:			
Block Grants for Prevention and Treatment of Substance Abuse (SAPT)	93.959	11 NNA-23	876,859
Federal Drug Medi-Cal	93.778	NNA23	66,793
ARRA - Federal Drug Medi-Cal	93.778	NNA23	11,382
Subtotal Pass-through			<u>955,034</u>
Passed through Center for Substance Abuse Treatment:			
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	--	422,739
Subtotal Pass-through			<u>422,739</u>
Total Department of Health and Human Services			
			<u>\$ 26,147,518</u>
<u>Substance Abuse and Mental Health Services Administration</u>			
<u>U.S. Department of Homeland Security</u>			
Passed through California Emergency Management Agency:			
Public Assistance Grants	97.036	PW 3057	\$ 145,366
Homeland Security Grant Program	97.067	2008-0009	36,652
Homeland Security Grant Program	97.067	2009-0019	135,311
Homeland Security Grant Program	97.067	2010-0085	33,141
Subtotal CFDA 97.067			<u>205,104</u>
Full Court Press Planning	97.073	08HSGP-SHSP/LE	100,000
Buffer Zone Protection Program (BZPP)	97.078	BZ-T8-0008	175,072
Total Department of Homeland Security			<u>\$ 625,542</u>
Total Expenditures of Federal Awards			
			<u><u>\$ 40,703,539</u></u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

COUNTY OF MENDOCINO

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

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:

Federal CFDA	Program Title	Amount Provided to Subrecipients
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	\$ 916,745
10.688	ARRA – Recovery Act of 2009: Wildland Fire Management	10,271
14.235	Supportive Housing Program Seamless Transitional Empowerment Program	173,460
14.235	Supportive Housing Program Transitional Housing	100,629
14.239	HOME Investment Partnerships Program	331,910
14.257	Homeless Prevention and Rapid Re-Housing Program	591,119
17.260, 17.278	Workforce Investment Act Cluster	2,204,603
	Total	\$ 4,328,737

COUNTY OF MENDOCINO

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

Note 5: Program Clusters

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

Federal CFDA #	<u>Program Title</u>	<u>Federal Expenditures</u>
<u>Temporary Assistance for Needy Families (TANF) Cluster:</u>		
93.558	Temporary Assistance for Needy Families (TANF)	\$ 8,883,960
93.714	ARRA – Emergency Contingency Fund for Temporary Assistance to Needy Families	<u>15,210</u>
	Total	<u>\$ 8,899,170</u>
<u>WIA Cluster:</u>		
17.260	ARRA – Workforce Investment Act	\$ 630,096
17.278	Workforce Investment Act	<u>1,415,827</u>
	Total	<u>\$ 2,045,923</u>
<u>JAG Program Cluster</u>		
16.738	Byrne Justice Assistance Grant Program	\$ 40,175
16.803	ARRA – Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories	90,926
16.804	ARRA – Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Governments	139,858
16.804	ARRA – JAG – CDCI	34,162
16.804	ARRA – JAG	<u>89,784</u>
	Total	<u>\$ 394,905</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.

COUNTY OF MENDOCINO

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

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>	Total Federal <u>Expenditures</u>
93.778	\$ 2,435,647
16.579	624,911
16.804	263,804
93.243	474,245

COUNTY OF MENDOCINO

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011

Section 1

Summary of Auditor's Results

Financial Statements

- | | |
|--|---------------|
| 1. Type of auditor's report issued: | Unqualified |
| 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: | Unqualified |
| 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>
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
16.810	Rural Law Enforcement Program
17.260, 17.278	Workforce Investment Act Cluster
20.205	Highway Planning and Construction
93.563	Child Support Enforcement
93.658	Foster Care – Title IV-E
93.659	Adoptions Assistance Program
93.778	Medical Assistance Program
93.558, 93.714	Temporary Assistance for Needy Families Cluster

COUNTY OF MENDOCINO

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011

Section 1 (continued)

Federal Awards (continued)

- 5. Dollar threshold used to distinguish between Type A and Type B programs. \$ 1,221,106
- 6. Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 530? No

Section 2

Financial Statement Findings

Governmental Trust Funds

11-FS-1

Section 3

Federal Award Findings and Questioned Costs

None reported.

COUNTY OF MENDOCINO

Schedule of Findings and Questioned Costs
Financial Statement Findings
For the Year Ended June 30, 2011

<u>Program</u>	<u>Findings/Noncompliance</u>
Finding 11-FS-1	<p data-bbox="430 779 468 1120"><i>Governmental Trust Funds</i></p> <p data-bbox="493 1023 531 1120"><u>Criteria</u></p> <p data-bbox="567 203 819 1120">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.</p> <p data-bbox="840 203 976 1120">Use of the agency fund type is limited to resources the County holds purely in a custodial capacity for individuals or other organizations, such as school districts and special districts not governed by the County Board of Supervisors.</p> <p data-bbox="1008 998 1045 1120"><u>Condition</u></p> <p data-bbox="1081 203 1333 1120">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, 2011, this consolidated fund contained pooled cash and investments of \$792 thousand, that actually belonged to County programs and were reclassified to the General Fund in the audited financial statements.</p> <p data-bbox="1354 1047 1392 1120"><u>Cause</u></p> <p data-bbox="1428 203 1564 1120">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.</p> <p data-bbox="1596 893 1633 1120"><u>Effect of Condition</u></p> <p data-bbox="1669 203 1778 1120">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.</p>

COUNTY OF MENDOCINO

Schedule of Findings and Questioned Costs
Financial Statement Findings
For the Year Ended June 30, 2011

<u>Program</u>	<u>Findings/Noncompliance</u>
Finding 11-FS-1 (continued)	<p><u>Effect of Condition</u> (continued)</p> <p>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.</p> <p>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.</p> <p><u>Recommendation</u></p> <p>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.</p> <p><u>Management Response</u></p> <p>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.</p>

COUNTY OF MENDOCINO

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2011

Audit Reference Number	Status of Prior Year Audit Findings
Finding 10-SA-1	<u>Recommendation</u>
Temporary Assistance for Needy Families (TANF) Cluster CFDA: 93.558, 93.714	We recommend the Department instruct its eligibility staff to make sure a current IEVS has been requested, received and reviewed when determining eligibility for individuals for this program. <u>Status</u> Implemented.

COUNTY OF MENDOCINO

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2011

<u>Audit Reference Number</u>	<u>Status of Prior Year Audit Findings</u>
Finding 10-SA-2	<u>Recommendation</u>
Medical Assistance Program CFDA 93.778	We recommend the Department instruct its eligibility staff to make sure a current IEVS has been requested, received and reviewed when determining eligibility for individuals for this program.
and	<u>Status</u>
ARRA – Medical Assistance Program CFDA 93.778	Implemented.
Award No. n/a Year: 2009/2010	

COUNTY OF MENDOCINO

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2011

Audit Reference Number	Status of Prior Year Audit Findings
Finding 10-SA-3	<u>Recommendation</u>
Water Quality Management Planning CFDA 66.454	We recommend that the Department implement procedures to ensure that suspension and debarment are checked for any federally-funded transaction, which equals or exceeds \$25,000 or for any amount with a subrecipient. A list of suspended and debarred parties is available online from the Excluded Parties List System at http://www.epls.gov .
Award No. 08-305-550-01	<u>Status</u>
Year: 2009- 2010	Implemented.

**SUPPLEMENTARY SCHEDULES
OF
THE CALIFORNIA EMERGENCY
MANAGEMENT AGENCY GRANTS EXPENDITURES**

COUNTY OF MENDOCINO

Schedules of the California Emergency Management Agency Grants Expenditures For the Year Ended June 30, 2011

California Emergency Management Agency Grants

The following represents expenditures for California Emergency Management Agency (Cal EMA) programs for the year ended June 30, 2011. The amount reported in the Schedule of Expenditures of Federal Awards is determined by calculating the federal portion of the current year expenditures.

Program	Expenditures Claimed		Share of Expenditures			
	For the Period Through June 30, 2010	For the Year Ended June 30, 2011	Cumulative As of June 30, 2011	Federal Share	State Share	County Share
<u>VW10290230 - Victim Witness Assistance</u>						
Personal services	\$ 153,117	\$ 166,145	\$ 319,262	\$ 61,338	\$ 74,758	\$ 30,049
Operating expenses	29,008	24,418	53,426	--	--	24,418
Totals	\$ 182,125	\$ 190,563	\$ 372,688	\$ 61,338	\$ 74,758	\$ 54,467
<u>SE09120230 - Special Emphasis Victim Assistance</u>						
Personal services	\$ 190,234	\$ 207,254	\$ 397,488	\$ 27,501	\$ --	\$ 179,752
Operating expenses	2,497	7,480	9,977	6,732	--	748
Totals	\$ 192,731	\$ 214,734	\$ 407,465	\$ 34,233	\$ --	\$ 180,500
<u>DC09190230 - Anti-Drug Abuse Enforcement</u>						
Personal services	\$ 176,669	\$ 151,154	\$ 327,823	\$ 149,489	\$ --	\$ 1,665
Operating expenses	7,572	1,990	9,562	1,990	--	--
Totals	\$ 184,241	\$ 153,144	\$ 337,385	\$ 151,479	\$ --	\$ 1,665
<u>ZA09010230 - Recovery Act Anti Drug Abuse Enforcement</u>						
Personal services	\$ 45,539	\$ 154,342	\$ 199,881	\$ 154,342	\$ --	\$ --
Totals	\$ 45,539	\$ 154,342	\$ 199,881	\$ 154,342	\$ --	\$ --
<u>ZF09010230 - ARRA-Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories</u>						
Personal services	\$ --	\$ 37,972	\$ 37,972	\$ 37,972	\$ --	\$ --
Operating expenses	25,021	14,613	39,634	14,613	--	--
Totals	\$ 25,021	\$ 52,585	\$ 77,606	\$ 52,585	\$ --	\$ --
<u>ARRA-Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories</u>						
Personal services	\$ --	\$ 38,341	\$ 38,341	\$ 38,341	\$ --	\$ --
Totals	\$ --	\$ 38,341	\$ 38,341	\$ 38,341	\$ --	\$ --
<u>VB08060230 - Child Abuse Vertical Prosecution</u>						
Personal services	\$ 78,324	\$ 47,156	\$ 125,480	\$ --	\$ 47,156	\$ --
Operating expenses	9,040	1,938	10,978	--	1,938	--
Totals	\$ 87,364	\$ 49,094	\$ 136,458	\$ --	\$ 49,094	\$ --

COUNTY OF MENDOCINO

Schedules of the California Emergency Management Agency Grants Expenditures For the Year Ended June 30, 2011

California Emergency Management Agency Grants (continued)

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2010	For the Year Ended June 30, 2011	Cumulative As of June 30, 2011	Federal Share	State Share	County Share
<u>DI10010230 - ARRA-Edward Byrne Memorial Justice Assistance Grant (JAG) Program/CDCI</u>						
Personal services	\$ --	\$ 16,908	\$ 16,908	\$ 16,908	\$ --	\$ --
Operating expenses	--	17,254	17,254	17,254	--	--
Totals	--	<u>\$ 34,162</u>	<u>\$ 34,162</u>	<u>\$ 34,162</u>	<u>\$ --</u>	<u>\$ --</u>
<u>Z09010230 - ARRA-Edward Byrne Memorial Justice Assistance Grant (JAG) Program/OTF</u>						
Personal services	\$ 73,666	\$ 69,544	\$ 143,210	\$ 69,544	\$ --	\$ --
Operating expenses	28,084	20,240	48,324	20,240	--	--
Totals	<u>\$ 101,750</u>	<u>\$ 89,784</u>	<u>\$ 191,534</u>	<u>\$ 89,784</u>	<u>\$ --</u>	<u>\$ --</u>
<u>HSGP 2008-0009 - Homeland Security Grant Program</u>						
Personal services	\$ 7,226	\$ 1,067	\$ 8,293	\$ 1,067	\$ --	\$ --
Operating expenses	30,327	1,401	31,728	1,401	--	--
Equipment	210,537	34,184	244,721	34,184	--	--
Totals	<u>\$ 248,090</u>	<u>\$ 36,652</u>	<u>\$ 284,742</u>	<u>\$ 36,652</u>	<u>\$ --</u>	<u>\$ --</u>
<u>HSGP 2009-0019 - Homeland Security Grant Program</u>						
Personal services	\$ 2,437	\$ 3,941	\$ 6,378	\$ 3,941	\$ --	\$ --
Operating expenses	75,704	69,178	144,882	69,178	--	--
Equipment	5,515	62,192	67,707	62,192	--	--
Totals	<u>\$ 83,656</u>	<u>\$ 135,311</u>	<u>\$ 218,967</u>	<u>\$ 135,311</u>	<u>\$ --</u>	<u>\$ --</u>
<u>HSGP 2010-0085 - Homeland Security Grant Program</u>						
Personal services	\$ --	\$ 1,578	\$ 1,578	\$ 1,578	\$ --	\$ --
Operating expenses	--	30,000	30,000	30,000	--	--
Equipment	--	1,563	1,563	1,563	--	--
Totals	<u>\$ --</u>	<u>\$ 33,141</u>	<u>\$ 33,141</u>	<u>\$ 33,141</u>	<u>\$ --</u>	<u>\$ --</u>
<u>08HSGP-SHSP/LE - Full Court Press Planning</u>						
Personal services	\$ --	\$ 90,000	\$ 90,000	\$ 90,000	\$ --	\$ --
Operating expenses	--	10,000	10,000	10,000	--	--
Totals	<u>\$ --</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ --</u>	<u>\$ --</u>