

COUNTY OF SUTTER
SINGLE AUDIT REPORT
JUNE 30, 2010

COUNTY OF SUTTER

Single Audit Report
For the Year Ended June 30, 2010

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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***

To the Board of Supervisors and Grand Jury
County of Sutter
Yuba City, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Sutter (County), as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 30, 2011. 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 questioned costs, we identified certain deficiencies in internal control over financial reporting 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 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 10-FS-1 to be a material weakness.

Board of Supervisors and Grand Jury
County of Sutter

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 30, 2011.

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

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

Gallina LLP

Roseville, California
March 30, 2011



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

To the Board of Supervisors and Grand Jury
County of Sutter
Yuba City, California

Compliance

We have audited the compliance of the County of Sutter (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, 2010. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, the County complied, in all material respects, with the 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, 2010.

Board of Supervisors and Grand Jury
County of Sutter

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 financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of and for the year ended June 30, 2010, and have issued our report thereon dated March 30, 2011, 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. 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 basic financial statements as a whole.

Board of Supervisors and Grand Jury
County of Sutter

The Supplementary Schedules of the California Emergency Management Agency and the State Department of Justice Grant Expenditures, beginning on page 18, 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 of the Board of Supervisors, Grand Jury, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties.

Gallina LLP

Roseville, California
March 30, 2011

COUNTY OF SUTTER

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Agriculture</u>			
Passed through State Department of Food and Agriculture:			
Plant & Animal Disease, Pest Control and Animal Care	10.025	09-8520-0934-GR	\$ 25,395
Plant & Animal Disease, Pest Control and Animal Care	10.025	09-8500-0484-CA	41,451
Plant & Animal Disease, Pest Control and Animal Care	10.025	09-8520-1164-CA	1,927
Subtotal CFDA 10.025			68,773
Passed through State Department of Social Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program			
	10.561	--	677,862
Special Supplemental Nutrition Program for Women, Infants and Children - Administrative costs	10.557 *	08-85478	825,171
Special Supplemental Nutrition Program for Women, Infants and Children - Vouchers Redeemed	10.557 *	08-85478	2,566,115
Subtotal CFDA 10.557			3,391,286
Subtotal Pass Through			4,069,148
Total U.S. Department of Agriculture			4,137,921
<u>U.S. Department of Housing and Urban Development</u>			
Passed through the State Department of Housing and Community Development:			
Community Development Block Grants/States Program	14.228	--	390,986
Community Development Block Grants - Section 108 Loan Guarantees	14.248	--	1,522,282
Total U.S. Department of Housing and Urban Development			1,913,268
<u>U.S. Department of Fish & Game</u>			
Direct Program:			
Habitat Conservation Plan/Natural Communities Conservation Plan (HCP/NCCP)	15.615	P0982007	26,850
Habitat Conservation Plan/Natural Communities Conservation Plan (HCP/NCCP)	15.615	P0982009	67,620
Total U.S. Department of Fish & Game			94,470

See accompanying Notes to Schedule of Expenditures of Federal Awards

* Major Program

COUNTY OF SUTTER

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010

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:			
States Criminal Alien Assistance Program - SCAAP	16.606	--	\$ 45,247
Bulletproof Vest Partnership Grant	16.607	--	1,065
Bulletproof Vest Partnership Grant	16.607	--	12,466
Subtotal CFDA 16.607			<u>13,531</u>
Justice Assistance Grant	16.738	2007-DJ-BX-1403	12,450
Justice Assistance Grant	16.738	2009-DJ-BX-0640	13,524
Justice Assistance Grant Offender Treatment Program	16.738	--	29,401
Subtotal CFDA 16.738			<u>55,375</u>
Subtotal Direct			<u>114,153</u>
Passed through California Emergency Management Agency:			
Victim Witness Assistance Program	16.575	VW09230510	59,948
Anti-Drug Abuse Enforcement Program	16.579	DC09220510	185,802
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants To Units Of Local Government	16.804	ZP09010510	36,514
Subtotal Pass Through			<u>282,264</u>
Total U.S. Department of Justice			<u>396,417</u>
<u>U.S. Department of Transportation</u>			
Passed through State Department of Transportation:			
Highway Planning and Construction	20.205 *	BRLO-5918(052)	11,224
Highway Planning and Construction	20.205 *	BRLS-5918(034)	43,254
Highway Planning and Construction	20.205 *	BRLS-5918(012)	139,456
Highway Planning and Construction	20.205 *	BRLO-5918(032)	189,699
Highway Planning and Construction	20.205 *	HSIPL-5918(070)	17,392
ARRA - Highway Planning and Construction	20.205 *	ESPL-5918 (072)	651,463
Subtotal CFDA 20.205			<u>1,052,488</u>
Total U.S. Department of Transportation			<u>1,052,488</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

* Major Program

COUNTY OF SUTTER

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
<u>Institute of Museum and Library Services</u>			
Passed through California State Library:			
Grants to States	45.310	40-7309	\$ 5,000
Total Institute of Museum and Library Services			<u>5,000</u>
<u>U.S. Department of Education</u>			
Passed through the State Department of Education:			
Adult Education State Grant Program	84.002	--	49,079
Adult Education State Grant Program	84.002	--	49,079
Adult Education State Grant Program	84.002	--	35,131
Adult Education State Grant Program	84.002	--	35,132
Subtotal CFDA 84.002			<u>168,421</u>
Safe & Drug-Free Schools & Communities	84.184	--	<u>137,892</u>
Total U.S. Department of Education			<u>306,313</u>
<u>U.S. Department of Health and Human Services</u>			
Passed through State of California Secretary of State:			
HAVA Polling Place Accessibility Training Program	93.617	09G26149	<u>2,912</u>
Total U.S. State of California Secretary of State:			<u>2,912</u>
Passed through State Department of Social Services:			
Promoting Safe and Stable Families	93.556	--	<u>54,180</u>
Temporary Assistance for Needy Families	93.558 *	--	<u>4,305,077</u>
Child Welfare Services – State Grants	93.645	--	<u>62,652</u>
Title IV-E of the Social Security Act	93.658	--	307,670
Group Home Monthly Visits	93.658	--	8,932
Child Welfare Services Outcome Improvements	93.658	--	2,852
Foster Care - Title IV	93.658	--	1,942,416
ARRA - Foster Care - Title IV	93.658	--	63,681
Subtotal CFDA 93.658			<u>2,325,551</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

* Major Program

COUNTY OF SUTTER

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Health and Human Services (continued)</u>			
Passed through State Department of Social Services (continued):			
Adoption Assistance Program	93.659	--	\$ 1,374,122
ARRA - Adoption Assistance Program	93.659	--	154,507
Subtotal CFDA 93.659			<u>1,528,629</u>
Social Services Block Grant	93.667	--	63,482
Chafee Foster Care Independent Living Program	93.674	--	46,173
Subtotal Pass Through			<u>8,385,744</u>
Passed through State Department of Child Support Services:			
Child Support Enforcement	93.563 *	--	1,564,282
ARRA - Child Support Enforcement	93.563 *	--	335,924
Subtotal CFDA 93.563			<u>1,900,206</u>
Passed through State Department of Alcohol and Drug Programs:			
Block Grants for Prevention and Treatment of Substance Abuse (SAPT)	93.959 *	--	<u>970,645</u>
Passed through State Department of Health Care Services:			
State Children's Insurance Program	93.767	--	<u>43,991</u>
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	09-11157	<u>5,337</u>
Medical Assistance Program	93.778 *	--	314,145
Medical Assistance Program	93.778 *	--	2,013,380
Subtotal CFDA 93.778			<u>2,327,525</u>
Subtotal Pass Through			<u>2,376,853</u>
Passed through State Department of Public Health:			
Public Health Emergency Preparedness	93.069	EPO 08-51 & EPO P3-51	298,867
Immunization Grants	93.268	09-11306	32,539
Maternal Child & Adolescent Health (MCAH)	93.994	--	87,997
Subtotal Pass Through			<u>419,403</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

* Major Program

COUNTY OF SUTTER

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Health and Human Services</u> (continued)			
Passed through the State Department of Mental Health:			
Projects for Assistance in Transition from Homelessness	93.150	--	\$ 55,814
Substance Abuse and Mental Health Services Administration (SAMHSA) Block Grant (includes Children's System of Care (CSOC) (Grant)	93.958	--	<u>338,853</u>
Subtotal Pass Through			<u>394,667</u>
Total U.S. Department of Health and Human Services			<u>14,450,430</u>
<u>U.S. Department of Homeland Security</u>			
Direct Program:			
Boating Safety and Enforcement Grant	97.012	09-204-809	20,533
Emergency Management Performance Grant 2009	97.042	H101-00000-02	91,122
Public Safety Interoperability Communication Grant (PSIG)	97.055	H101-00000-02	<u>81,939</u>
Subtotal Direct			<u>193,594</u>
Passed through the State Office of Homeland Security:			
State Homeland Security Program (SHSGP)	97.067	H101-00000-02	97,865
State Homeland Security Program (SHSGP)	97.067	H101-00000-02	<u>218,095</u>
Subtotal CFDA 97.067			<u>315,960</u>
Total U.S. Department of Homeland Security			<u>509,554</u>
Total Expenditures of Federal Awards			<u><u>\$ 22,865,861</u></u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

* Major Program

COUNTY OF SUTTER

Notes to Schedule of Expenditures and Federal Awards
For the Year Ended June 30, 2010

Note 1: **General**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the County of Sutter. The County of Sutter 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 an 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: **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 5: **Subrecipients**

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

Federal CFDA	Program Title	Amount Provided to Subrecipients
14.228	Community Development Block Grants/States Program	<u>\$ 390,986</u>

COUNTY OF SUTTER

Notes to Schedule of Expenditures and Federal Awards
For the Year Ended June 30, 2010

Note 6: **Loans with Continuing Compliance Requirement**

Outstanding federally-funded program loans, with a continuing compliance requirement, carried balances as of June 30, 2010 as follows:

Federal CFDA#	Program Title	<u>Amount Outstanding</u>	
		<u>July 1, 2009</u>	<u>June 30, 2010</u>
14.248	Community Development Block Grants – Section 108 Loan Guarantees	<u>\$ 1,041,202</u>	<u>\$ 1,504,160</u>

COUNTY OF SUTTER

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2010

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 control over major programs: | |
| 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 programs:

CFDA Number

Name of Federal Program

10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
20.205	Highway Planning and Construction
93.558	Temporary Assistance for Needy Families
93.563	Child Support Enforcement
93.778	Medical Assistance Program
93.959	Block Grants for Prevention and Treatment of Substance Abuse

COUNTY OF SUTTER

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2010

Section 1 (continued)

Federal Awards (continued)

Summary of Auditor's Results

- | | |
|---|------------|
| 5. Dollar threshold used to distinguish between Type A and Type B programs: | \$ 685,976 |
| 6. Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 530? | No |

Section 2

Financial Statement Findings

Deferred Revenue Availability Period	Finding 10-FS-1
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Section 3

Federal Award Findings and Questioned Costs

None Reported

COUNTY OF SUTTER

Schedule of Findings and Questioned Costs
Financial Statement Finding
For the Year Ended June 30, 2010

<u>Program</u>	<u>Findings/Noncompliance</u>
Finding 10-FS-1	<p><i>Deferred Revenue Availability Period</i> <i>Reporting Requirement: Material Weakness</i></p> <p><u>Criteria</u></p> <p>The County has established an availability period of 60 days after the end of the accounting period to define when revenues are considered available for revenue recognition in the governmental fund statements. Deferred revenues should be recorded in the governmental fund statements to offset receivables when revenue is received after the period of availability.</p> <p><u>Condition</u></p> <p>The County recorded grants and other revenues that were received within its period of availability as deferred revenue instead of revenue resulting in an understatement of revenue in the governmental fund statements.</p> <p><u>Cause</u></p> <p>The County recorded receivables as deferred revenue based on its closing date instead of the period of availability. During the year-end closing process, the County did not sufficiently review its cutoff procedures.</p> <p><u>Effect of Condition</u></p> <p>The County deferred \$1,526,277 that was received within the availability period, causing revenue to be understated in the governmental fund financial statements.</p> <p><u>Recommendation</u></p> <p>We recommend that the County establish and enforce policies and procedures to ensure that only revenues received after the period of availability are deferred.</p>

COUNTY OF SUTTER

Schedule of Findings and Questioned Costs
Financial Statement Finding
For the Year Ended June 30, 2010

<u>Program</u>	<u>Findings/Noncompliance</u>
Finding 10-FS-1 (continued)	<i>Deferred Revenue Availability Period</i> <i>Reporting Requirement: Material Weakness</i> <u>Management Response from Auditor-Controller's Office</u> We agree this is a material weakness for financial statement purposes but the Auditor-Controller's office has maintained accounting control of the revenue at all times. Although this revenue was recorded in the proper program, account, and department, it was recorded in the subsequent fiscal year. The Auditor-Controller's office maintains this information and agrees to provide a schedule to the future auditors to accrue the revenue as required.

COUNTY OF SUTTER

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2010

<u>Audit Reference Number</u>	<u>Status of Prior Year Audit Findings</u>
Finding 09-SA-1	<i>Federal Grantor: U.S. Department of Health and Human Services</i>
Temporary Assistance for Needy Families (TANF) CFDA 93.558	<i>Pass-Through Entity: State Department of Social Services</i>
	<i>Compliance Requirement: Eligibility/Special Tests (IEVS)</i>
	<i>Reporting Requirement: Significant Deficiency</i>
	<u>Recommendation</u>
Award No. n/a Year: 2008/2009	We recommend that the Department review this omission to request, review, and compare the IEVS to information in the case record. We recommend that the Department attempt to determine why the current system of controls failed to prevent these exceptions and that the Department establish and communicate a policy designed to ensure that IEVS information is requested, received, and reviewed and that this review is documented in each case.
	<u>Status</u>
	Implemented.

COUNTY OF SUTTER

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2010

Audit Reference Number	Status of Prior Year Audit Findings
Finding 09-SA-2 Medical Assistance Program CFDA 93.778 Award No. n/a Year: 2008/2009	<i>Federal Grantor:</i> U.S. Department of Health and Human Services <i>Pass-Through Entity:</i> State Departments of Health Services and Alcohol and Drug Abuse Programs <i>Compliance Requirement:</i> Eligibility (IEVS) <i>Reporting Requirement:</i> Significant Deficiency <u>Recommendation</u> We recommend that the Department review this omission to request, review, and compare the IEVS to information in the case record. We recommend that the Department attempt to determine why the current system of controls failed to prevent these exceptions and that the Department establish and communicate a policy designed to ensure that IEVS information is requested, received, and reviewed and that this review is documented in each case. <u>Status</u> Implemented.

**SUPPLEMENTARY SCHEDULES
OF
THE CALIFORNIA EMERGENCY
MANAGEMENT AGENCY
AND
THE STATE DEPARTMENT OF JUSTICE
GRANT EXPENDITURES**

COUNTY OF SUTTER

Supplementary Schedules of the
California Emergency Management Agency
and the State Department of Justice Grant Expenditures
For the Year Ended June 30, 2010

California Emergency Management Agency Grants

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

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2009	For the Year Ended June 30, 2010	Cumulative As of June 30, 2010	Federal Share	State Share	County Share
<u>VW09230510 - Victim Witness Assistance Program</u>						
Personal services	\$ --	\$ 133,101	\$ 133,101	\$ 59,948	\$ 73,153	\$ --
Totals	\$ --	\$ 133,101	\$ 133,101	\$ 59,948	\$ 73,153	\$ --
<u>DC09220510 - Anti-Drug Abuse Enforcement Program</u>						
Personal services	\$ --	\$ 65,802	\$ 65,802	\$ 65,802	\$ --	\$ --
Operating expenses	--	120,000	120,000	120,000	--	--
Equipment	--	--	--	--	--	--
Totals	\$ --	\$ 185,802	\$ 185,802	\$ 185,802	\$ --	\$ --
<u>ZP09010510 - ARRA-Edward Byrne Memorial Justice Assistance Program (JAG)</u>						
Personal services	\$ --	\$ 17,989	\$ 17,989	\$ 17,989	\$ --	\$ --
Equipment	--	18,525	18,525	18,525	--	--
Totals	\$ --	\$ 36,514	\$ 36,514	\$ 36,514	\$ --	\$ --

State Department of Justice

The following represents expenditures for the State Department of Justice programs for the year ended June 30, 2010.

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2009	For the Year Ended June 30, 2010	Cumulative As of June 30, 2010	Federal Share	State Share	County Share
<u>VB08060510 - Statutory Rape Vertical Prosecution</u>						
Personal services	\$ --	\$ 105,865	\$ 105,865	\$ --	\$ 105,865	\$ --
Totals	\$ --	\$ 105,865	\$ 105,865	\$ --	\$ 105,865	\$ --