

**COUNTY OF MARIPOSA,
CALIFORNIA**



**SINGLE AUDIT ACT
REPORTS AND SCHEDULES
FOR THE YEAR ENDED
JUNE 30, 2009**

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COUNTY OF MARIPOSA, CALIFORNIA
SINGLE AUDIT ACT
FOR THE YEAR ENDED JUNE 30, 2009

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**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 the Grand Jury
County of Mariposa
Mariposa, 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 Mariposa, California (County), as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 31, 2009. 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 opinions 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 would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting. (09-FS-01, 09-FS-02 and 09-FS-03)

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, of the significant deficiencies described above, we consider item 09-FS-01 to be a material weakness.

We noted certain other matters that we reported to management of the County in a separate report dated December 31, 2009.

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.

Board of Supervisors and the Grand Jury
County of Mariposa
Mariposa, California

The County's response to the findings 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 it.

This report is intended solely for the information and use of management, others within the organization, the Board of Supervisors and Grand Jury, and Federal awarding agencies and is not intended to be and should not be used by anyone other than those specified parties.

A handwritten signature in cursive script, appearing to read "Smith & Newell", written in dark ink.

Smith & Newell CPA's
Yuba City, California
December 31, 2009

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO 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 Mariposa
Mariposa, California

Compliance

We have audited the compliance of County of Mariposa, California, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2009. 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 are applicable to each of its major federal programs for the year ended June 30, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 09-SA-01.

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 opinions on compliance, 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 control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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.

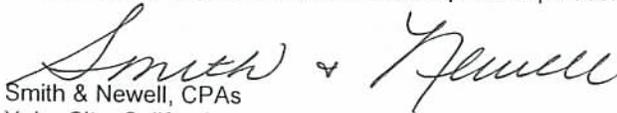
To the Board of Supervisors and Grand Jury
County of Mariposa
Mariposa, California

The County's response to the findings identified in our audit are 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 it.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of County of Mariposa, California, as of and for the year ended June 30, 2009, and have issued our report thereon dated December 31, 2009. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Smith & Newell, CPAs
Yuba City, California
December 31, 2009

COUNTY OF MARIPOSA, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

<u>Federal Program/Pass Through Program Title</u>	<u>CFDA Number</u>	<u>Federal Pass-Through Grantor Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture</u>			
Direct Program:			
Cooperative Forestry Assistance	10.664	07-LE-11051360-006	\$ 27,993
Passed through State Department of Social Services:			
Supplemental Nutrition Assistance Program	10.551	-	1,601,666
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	-	177,224
Passed through State Controller's Office			
Schools and Roads - Grants to States	10.665	-	289,924
Schools and Roads - Grants to Counties	10.666	-	510
Passed through State Department of Food and Agriculture:			
Forest Health Protection	10.680	-	2,590
Total U.S. Department of Agriculture			<u>2,099,907</u>
<u>Department of Housing and Urban Development</u>			
Direct Program:			
Section 8 Housing Choice Vouchers	14.871	-	736,051
Passed through State Department of Housing and Community Development:			
Community Development Block Grants/Entitlement Grants	14.218	06 STBG 2609	35,384
Total Department of Housing and Urban Development			<u>771,435</u>
<u>U.S. Department of the Interior</u>			
Direct Program:			
Payments in Lieu of Taxes	15.226	-	810,020
National Fire Plan - Rural Fire Assistance	15.242	-	18,300
Total U.S. Department of the Interior			<u>828,320</u>
<u>U.S. Department of Justice</u>			
Direct Program:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	CSA 353-07	100,046
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	CSA 353-08	25,012
Subtotal 16.540			<u>125,058</u>
Edward Byrne Memorial Formula Grant Program	16.579	DC 0811 0220	117,820
Crime Victim Assistance/Discretionary Grants	16.582	VW 0816 0220	35,534
State Criminal Alien Assistance Program	16.606	2008 AP BX 1204	3,693
Bulletproof Vest Partnership Program	16.607	-	1,687
Total U.S. Department of Justice			<u>283,792</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

COUNTY OF MARIPOSA, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

<u>Federal Program/Pass Through Program Title</u>	<u>CFDA Number</u>	<u>Federal Pass-Through Grantor Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Transportation</u>			
Direct Program:			
Highway Planning and Construction	20.205	BRLS-5940(004)	\$ 35,416
Highway Planning and Construction	20.205	CML-5940(061)	74,890
Subtotal 20.205			<u>110,306</u>
Passed through Federal Aviation Administration:			
Airport Improvement Program	20.106	AIP 3-06-0147-06	300,000
Passed through Governor's Office of Emergency Services			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	-	3,838
Total U.S. Department of Transportation			<u>414,144</u>
<u>U.S. Department of Energy</u>			
Passed through State Department of Community Services and Development:			
Weatherization Assistance for Low-Income Persons	81.042	08C-1721	6,177
Total U.S. Department of Energy			<u>6,177</u>
<u>U.S. Department of Health and Human Services</u>			
Passed through State Department of Aging:			
Special Programs for the Aging - Title III, Part B -			
Grants for Supportive Services and Senior Centers	93.044	-	8,730
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	-	36,838
Nutrition Services Incentive Program	93.053	-	10,869
Passed through State Department of Social Services:			
Promoting Safe and Stable Families	93.556	-	10,075
Temporary Assistance for Needy Families	93.558	-	1,834,767
Community-Based Child Abuse Prevention Grant	93.590	-	29,991
Child Welfare Services - State Grants	93.645	-	11,834
Foster Care - Title IV-E	93.658	-	589,402
Adoption Assistance	93.659	-	150,519
Social Services Block Grant	93.667	-	33,105
Chafee Foster Care Independence Program	93.674	-	22,330
Passed through State Department of Child Support Services:			
Child Support Enforcement	93.563	-	383,565
ARRA - Child Support Enforcement	93.563	-	64,461
Subtotal 93.563			<u>448,026</u>
Passed through State Department of Mental Health Services:			
Block Grants for Community Mental Health Services	93.958	SAMSHA	94,410
Passed through State Department of Alcohol and Drug Programs:			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	SAPT	382,248

See accompanying Notes to Schedule of Expenditures of Federal Awards

COUNTY OF MARIPOSA, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

<u>Federal Program/Pass Through Program Title</u>	<u>CFDA Number</u>	<u>Federal Pass-Through Grantor Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Health and Human Services (Continued)</u>			
Passed through State Department of Health Services:			
Maternal and Child Health Services Block Grant to the States	93.994	MCH	\$ 35,108
Medical Assistance Program	93.778	CCS	16,674
Medical Assistance Program	93.778	CHDP	17,026
Medical Assistance Program	93.778	HCPCFC	7,413
Medical Assistance Program	93.778	-	8,111
Medical Assistance Program	93.778	IHSS	94,729
ARRA - Medical Assistance Program	93.778	IHSS	47,998
Subtotal 93.778			<u>191,951</u>
Centers for Disease Control and Prevention Investigation and Technical Assistance	93.283	-	138,313
National Bioterrorism Hospital Preparedness Program	93.889	-	39,022
Passed through State Department of Community Services and Development:			
Low-Income Home Energy Assistance	93.568	06B-5373	4,276
Low-Income Home Energy Assistance	93.568	08B-5473	82,260
Low-Income Home Energy Assistance	93.568	09B-5523	154,206
Subtotal 93.568			<u>240,742</u>
Community Services Block Grant	93.569	08F-4907	276,422
Total Department of Health and Human Services			<u>4,584,702</u>
<u>Department of Homeland Security</u>			
Direct Program:			
Assistance to Firefighters Grant	97.044	EMW-2007-FO-03296	111,768
Assistance to Firefighters Grant	97.044	EMW-2007-FV-02318	292,791
Assistance to Firefighters Grant	97.044	EMW-2008-FO-03688	315,185
Subtotal 97.044			<u>719,744</u>
Homeland Security Grant Program	97.067	2008-0006	7,550
State Homeland Security Program (SHSP)	97.073	2007-8	27,146
Law Enforcement Terrorism Prevention Program (LETPP)	97.074	2007-8	60,572
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2007-FF-00145	84,683
Total Department of Homeland Security			<u>899,695</u>
Total			<u>\$ 9,888,172</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

COUNTY OF MARIPOSA, CALIFORNIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

1. REPORTING ENTITY

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the County of Mariposa. The County of Mariposa 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 on the schedule.

2. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the County and is presented on accounting principles generally accepted in the United States of America. 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. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

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 inter governmental revenue in the General and Special Revenue Funds.

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.

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>
<u>SNAP Cluster</u>		
10.551	Supplemental Nutrition Assistance Program	\$ 1,601,666
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	<u>177,224</u>
	Total	<u>\$ 1,778,890</u>
<u>Aging Cluster</u>		
93.044	Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	\$ 8,730
93.045	Special Programs for the Aging - Title III, Part C - Nutrition Services	36,828
93.053	Nutrition Services Incentive Program	<u>10,869</u>
	Total	<u>\$ 56,437</u>

6. CALIFORNIA DEPARTMENT OF AGING

Beginning with the fiscal year ended June 30, 2004, the California Department of Aging (CDA) requires agencies to display state funded expenditures discretely along with federal expenditures. The County expended the following state and federal amounts of these grants:

<u>Program</u>	<u>Grant Amount</u>	<u>CFDA</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
IIIB Transportation	\$ 8,730	93.044	\$ 8,730	\$ -	\$ 8,730
IIIC-1 Congregate	20,618	93.045	20,618	-	20,618
IIIC-1 Restaurant Congregate	5,365	93.045	5,365	-	5,365
IIIC-1 Nutrition Services Incentive Plan	7,970	93.053	7,970	-	7,970
IIIC-2 Home Delivered Meals	10,855	93.045	10,855	-	10,855
IIIC-2 Nutrition Services Incentive Plan	<u>2,899</u>	93.053	<u>2,899</u>	-	<u>2,899</u>
Total	<u>\$ 56,437</u>		<u>\$ 56,437</u>	<u>\$ -</u>	<u>\$ 56,437</u>

COUNTY OF MARIPOSA, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

I. SUMMARY OF AUDITOR'S RESULTS

<u>Financial Statements</u>	<u>Status</u>
1. Type of auditor's report issued	Unqualified
2. Internal controls over financial reporting:	
a. Material weaknesses identified?	Yes
b. Significant deficiencies identified not considered to be material weaknesses?	Yes
3. Noncompliance material to financial statements noted?	No
 <u>Federal Awards</u>	
1. Internal control over major programs:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified not considered to be material weaknesses?	No
2. Type of auditor's report issued on compliance for major programs:	
All major programs	Unqualified
3. Any audit findings disclosed including those that are required to be reported in accordance with OMB Circular A-133 Section 510(a)?	Yes
4. Identification of major programs:	
10.551 Supplemental Nutrition Assistance Program	
10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	
14.871 Section 8 Housing Choice Vouchers	
93.658 Foster Care - Title IV-E	
93.659 Adoption Assistance	
5. Dollar threshold used to distinguish between Type A and Type B programs?	\$300,000
6. Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 530?	Yes

II. FINANCIAL STATEMENT FINDINGS

Financial Reporting: Material Weakness	09-FS-01
Financial Reporting: Significant Deficiency	09-FS-02
Financial Reporting: Significant Deficiency	09-FS-03

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

CFDA 93.659	09-SA-01
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COUNTY OF MARIPOSA, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

09-FS-01 AIRPORT ENTERPRISE FUND (Financial Reporting: Material Weakness)

Condition

During the year ended June 30, 2008, the County transferred the Airport activity out of the General fund and established a separate enterprise fund to account for this activity. During the year ended June 30, 2009, the County reclassified two special revenue funds and one capital projects fund to the Airport enterprise fund and also transferred two loans for airport hangars to the Airport enterprise fund. However, we noted that the County still maintained one special revenue fund relating to airport grants and one capital projects fund relating to airport capital projects. This is a repeat of a prior year finding.

Cause

The County does not appear to have completed the transfer of the Airport from a governmental activity using modified accrual accounting to an enterprise fund activity using full accrual accounting.

Criteria

Generally accepted accounting principles require that enterprise funds be accounted for on the economic resources measurement focus and the full accrual basis of accounting. All assets, including all capital assets, as well as all liabilities should be reflected in the enterprise fund.

Effect of Condition

All activity related to the operation of the Airport does not appear to be accurately reflected in the Airport enterprise fund.

Recommendation

We recommend that all activities relating to the operation of the Airport enterprise fund be analyzed and properly classified as a part of the Airport enterprise fund.

Corrective Action Plan

The County has taken the necessary steps to complete the transfer of all assets and liabilities of the airport into the enterprise fund.

09-FS-02 STATEMENT ON AUDITING STANDARDS NO. 112 (Financial Reporting: Significant Deficiency)

Condition

Currently, the County relies on the external auditors to ensure its financial statements are in accordance with generally accepted accounting principles (GAAP). This is a repeat of a prior year finding.

Cause

Prior to issuance of SAS 112, the County was able to rely on the external auditors to assist with the financial statements and related notes without being subject to control deficiencies.

COUNTY OF MARIPOSA, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

09-FS-02 STATEMENT ON AUDITING STANDARDS NO. 112 (Financial Reporting: Significant Deficiency)
(CONTINUED)

Criteria

In May 2006, a new auditing standard, Statement on Auditing Standard No. 112, Communicating Internal Control Related Matters Identified in an Audit (SAS 112), was issued. The standard provides guidance in that if an entity is unable to draft its own financial statements, there may be a material weakness or significant deficiency. External auditors cannot be part of the County's internal controls, including controls over the preparation of the financial statements, and are prohibited from auditing their own work as doing so impairs their independence.

The County should have the capacity to prepare full disclosure financial statements in accordance with generally accepted accounting principles. To carry out this responsibility, the County must have proper internal controls over financial reporting in place. Proper internal controls over financial reporting include, but are not limited to, internal controls that identify misstatements in the financial records, retaining staff competent in financial reporting and related oversight roles, and adequate design of internal control over the preparation of the financial statements.

Effect of Condition

The risk of misstatement in the financial statements increases when management is not able to apply GAAP in recording the entity's financial transactions or preparing its financial statements, including the related notes. Also, by relying on the external auditors to ensure its financial statements are in accordance with GAAP, the County is considering the external auditors a part of its internal controls over the preparation of the financial statements.

Recommendation

The County may consider the following possible actions:

1. Provide training opportunities for its accounting staff that would enable them to become more familiar with the general disclosure requirements. This training should include, but is not limited to, the usage of a disclosure checklist, which provides guidance to the financial statement's content and whether a necessary disclosure has been overlooked.
2. Hire an external accountant to confirm that the financial statements and related disclosures are in accordance with GAAP.
3. Take no action. The County may find that the costs outweigh the benefits to adhere to this standard. No action will continue to result in a significant deficiency in the County's internal controls over the preparation of the financial statements.

Corrective Action Plan

Mariposa County is one of the smaller California counties and has historically worked with our independent auditors in the completion of financial statements. We recognize the importance of maintaining independence from our external auditors and have made every attempt to maintain internal controls. This office has staffing limitations but will make an effort to draft our own financial statements in the future.

09-FS-03 WORKERS' COMPENSATION INSURANCE UNDERFUNDED (Financial Reporting: Significant Deficiency)

Condition

The charges for services in the Workers' Compensation Insurance internal service fund were not sufficient to cover the accrued liability and the fund had a net asset deficit. This is a repeat of a prior year finding.

Cause

The charges for services in this fund were not sufficient to cover the accrued liability.

COUNTY OF MARIPOSA, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

09-FS-03 WORKERS' COMPENSATION INSURANCE UNDERFUNDED (Financial Reporting: Significant Deficiency)

Criteria

Prudent management of County resources requires that charges for services in internal service funds be adequate to cover the cost of providing the service.

Effect of Condition

The County had inadequate reserves in the Workers' Compensation Insurance internal service fund to settle the estimated accrued liabilities.

Recommendation

We recommend that the County review options to manage this deficit and begin a program to fund or insure the liability.

Corrective Action Plan

The County reviews the risk management funds that account for this activity annually. Insurance costs are set and charged to the affected budget units with the intent to reach or maintain the actuarially determined reserves to the extent of the financial capability of the County departments. The County is gradually building the reserve to reach the accrued liability.

COUNTY OF MARIPOSA, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

09-SA-01

Name: ADOPTION ASSISTANCE
CFDA #: 93.659
Federal Grantor: U.S. Department of Health and Human Services
Pass Through Entity: State Department of Social Services
Award No.: N/A
Year: 2008/2009

Condition

Title 22 California Code of Regulations Section 35331(a) requires that the determination of the child's eligibility for adoption assistance be documented in the case record on the Eligibility Certification - Adoption Assistance Program form (the AAP-4). The County does document eligibility on the AAP-4 by the completion of the form, which is signed by the "Authorized Official of Public Adoption Agency". However, a second signature is required on the AAP-4. The "Authorized Official of County Welfare Department" must sign the AAP-4 and check the appropriate box, which indicates FFP eligibility or non-eligibility.

On one of twenty cases tested, the AAP-4 was completed and signed by the "Authorized Official of Public Adoption Agency" but the AAP-4 was not signed by the "Authorized Official of County Welfare Department," which is the County eligibility staff.

Perspective

Appropriate training or review procedures concerning required forms completion was inadequate.

Criteria

The County is not in compliance with Title 22 California Code of Regulations Section 35331(a).

Effect of Condition

When the AAP-4 is not available for review or signed by the Authorized Official of County Welfare Department and/or the federal eligibility or non-eligibility box is not marked, the likelihood of errors in eligibility determination increase.

Questioned Costs

No costs are questioned. All twenty-one cases were eligible for federal Adoption Assistance. The problem was that their eligibility was not properly documented, as required, on the AAP-4.

Recommendation

We recommend that the County require that the AAP-4's be signed by the "Authorized Official of County Welfare Department" (County eligibility staff) and that this person check the appropriate box showing determination of FFP eligibility on the bottom of this form. We also recommend that the County incorporate into their review process procedures to ensure that the AAP-4's are properly completed and executed.

Corrective Action Plan

The Eligibility Supervisor discussed with the Foster Care/AAP Eligibility Worker the importance of signing off on the AAP-4 and indicating the correct eligibility determination by checking the appropriate box/boxes. All cases will have the eligibility determination indicated on the AAP-4 and the Eligibility Worker will sign the form. This form will also be reviewed by the Supervisor for completeness.

COUNTY OF MARIPOSA, CALIFORNIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30 2009

<u>Audit Reference</u>	<u>Status of Prior Year Audit Findings</u>
08-FS-01	<p>STATEMENT ON AUDITING STANDARDS NO. 112</p> <p>Recommendation</p> <p>The County may consider the following possible actions:</p> <ol style="list-style-type: none">1. Provide training opportunities for its accounting staff that would enable them to become more familiar with the general disclosure requirements. This training should include, but is not limited to, the usage of a disclosure checklist, which provides guidance to the financial statement's content and whether a necessary disclosure has been overlooked.2. Hire an external accountant to confirm that the financial statements and related disclosures are in accordance with GAAP.3. Take no action. The County may find that the costs outweigh the benefits to adhere to this standard. No action will continue to result in a significant deficiency in the County's internal controls over the preparation of the financial statements. <p>Status</p> <p>Not Implemented</p>
08-FS-02	<p>AIRPORT ENTERPRISE FUND</p> <p>Recommendation</p> <p>We recommend that all activities relating to the operation of the Airport enterprise fund be analyzed and properly classified as a part of the enterprise fund operation.</p> <p>Status</p> <p>Partially Implemented</p>
08-FS-03	<p>UNEARNED/DEFERRED REVENUES</p> <p>Recommendation</p> <p>We recommend that the County analyze all classifications of unearned and deferred revenues to ensure that balances are properly classified and titled on the general ledger.</p> <p>Status</p> <p>Implemented</p>
08-SA-01	<p>ADOPTION ASSISTANCE</p> <p>Recommendation</p> <p>We recommend that the County require that the AAP-4's be signed by the "Authorized Official of County Welfare Department" (County eligibility staff) and that this person check the appropriate box showing determination of FFP eligibility on the bottom of this form. We also recommend that the County incorporate into their review process procedures to ensure that the AAP-4's are properly completed and executed.</p> <p>Status</p> <p>Partially Implemented</p>

**SUPPLEMENTAL STATEMENTS OF
REVENUE AND EXPENDITURE**

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COUNTY OF MARIPOSA, CALIFORNIA
SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURE
CSD CONTRACT NO. 08C-1721 (DOE-WX)
FOR THE PERIOD JULY 1, 2008 THROUGH JUNE 30, 2009

	<u>July 1, 2008 through June 30, 2009</u>	<u>July 1, 2009 through June 30, 2010</u>	<u>Totals</u>
<u>Revenue</u>			
Grant revenue	\$ 6,212	\$ -	\$ 6,212
Total Revenue	<u>\$ 6,212</u>	<u>\$ -</u>	<u>\$ 6,212</u>
<u>Expenditures</u>			
Administrative costs	\$ 265	\$ -	\$ 265
Program Costs:			
Client education	395	-	395
Direct program activities	3,418	-	3,418
Health and safety	190	-	190
Intake	785	-	785
Outreach	395	-	395
Training and technical assistance	229	-	229
Vehicle insurance	500	-	500
Total Program Costs	<u>5,912</u>	<u>-</u>	<u>5,912</u>
Total Expenditures	<u>\$ 6,177</u>	<u>\$ -</u>	<u>\$ 6,177</u>

COUNTY OF MARIPOSA, CALIFORNIA
SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURE
CSD CONTRACT NO. 06B-5373 (WX) (LIHEAP)
FOR THE PERIOD JANUARY 1, 2006 THROUGH DECEMBER 31, 2008

	<u>January 1, 2006 through June 30, 2007</u>	<u>July 1, 2007 through June 30, 2008</u>	<u>July 1, 2008 through December 31, 2008</u>	<u>Totals</u>
<u>Revenue</u>				
Grant revenue	\$ 121,856	\$ 3,340	\$ 1,184	\$ 126,380
Total Revenue	<u>\$ 121,856</u>	<u>\$ 3,340</u>	<u>\$ 1,184</u>	<u>\$ 126,380</u>
<u>Expenditures</u>				
Administrative costs	\$ 8,238	\$ 1,842	\$ 207	\$ 10,287
Other Program Costs:				
Liability insurance	1,303	205	-	1,508
Training	414	2	797	1,213
Total Other Program Costs	<u>1,717</u>	<u>207</u>	<u>797</u>	<u>1,508</u>
Program Costs:				
Intake	2,060	460	51	2,571
Direct program activities	102,938	(805)	-	102,133
Outreach	5,150	1,149	129	6,428
Workers compensation	1,753	487	-	2,240
Total Program Costs	<u>111,901</u>	<u>1,291</u>	<u>180</u>	<u>113,372</u>
Total Expenditures	<u>\$ 121,856</u>	<u>\$ 3,340</u>	<u>\$ 1,184</u>	<u>\$ 123,659</u>

COUNTY OF MARIPOSA, CALIFORNIA
SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURE
CSD CONTRACT NO. 06B-5373 (ECIP/HEAP)
FOR THE PERIOD JANUARY 1, 2006 THROUGH DECEMBER 31, 2008

	January 1, 2007 through June 30, 2007	July 1, 2007 through June 30, 2008	July 1, 2008 through December 31, 2008	Totals
<u>Revenue</u>				
Grant revenue	\$ 213,790	\$ 3,618	\$ 4,355	\$ 221,763
Total Revenue	<u>\$ 213,790</u>	<u>\$ 3,618</u>	<u>\$ 4,355</u>	<u>\$ 221,763</u>
<u>Expenditures</u>				
Administrative costs				
Administrative costs	\$ 8,223	\$ 4,699	\$ 46	\$ 12,968
Energy automation set-aside	-	-	2,195	2,195
Total Administrative Costs	<u>8,223</u>	<u>4,699</u>	<u>2,241</u>	<u>15,163</u>
Assurance 16:				
Assurance 16 program costs	<u>18,640</u>	<u>6,627</u>	<u>118</u>	<u>25,385</u>
Intake:				
Intake costs	<u>4,706</u>	<u>1,689</u>	<u>6</u>	<u>6,401</u>
ECIP:				
Cooling service repair	1,477	794	-	2,271
Heating service repair	1,959	1,029	1	2,989
Outreach	5,674	1,588	99	7,361
Wood/propane/oil	<u>63,289</u>	<u>9,037</u>	<u>627</u>	<u>72,953</u>
Total ECIP	<u>72,399</u>	<u>12,448</u>	<u>727</u>	<u>85,574</u>
HEAP:				
Outreach	6,422	2,219	-	8,641
Wood/propane/oil	<u>67,134</u>	<u>9,746</u>	<u>-</u>	<u>76,880</u>
Total HEAP	<u>73,556</u>	<u>11,965</u>	<u>-</u>	<u>85,521</u>
ECF energy education:				
Energy education workshop	<u>440</u>	<u>300</u>	<u>-</u>	<u>740</u>
Total Expenditures	<u>\$ 169,741</u>	<u>\$ 33,029</u>	<u>\$ 3,092</u>	<u>\$ 218,784</u>

COUNTY OF MARIPOSA, CALIFORNIA
SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURE
CSD CONTRACT NO. 08B-5473 (WX) (LIHEAP)
FOR THE PERIOD JANUARY 1, 2008 THROUGH DECEMBER 31, 2008

	January 1, 2008 through June 30, 2008	July 1, 2008 through December 31, 2008	Totals
<u>Revenue</u>			
Grant revenue	\$ 40,534	\$ 30,663	\$ 71,197
Total Revenue	\$ 40,534	\$ 30,663	\$ 71,197
<u>Expenditures</u>			
Administrative costs	\$ 3,982	\$ 3,327	\$ 7,309
Other Program Costs:			
Liability insurance	106	223	329
Training and technical assistance	-	97	97
Total Other Program Costs	106	320	329
Program Costs:			
Intake	998	832	1,830
Direct program activities	32,785	23,482	56,267
Outreach	2,496	2,080	4,576
Workers compensation	167	622	789
Total Program Costs	36,446	27,016	63,462
Total Expenditures	\$ 40,534	\$ 30,663	\$ 70,771

COUNTY OF MARIPOSA, CALIFORNIA
SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURE
CSD CONTRACT NO. 08B-5473 (ECIP/HEAP)
FOR THE PERIOD JANUARY 1, 2008 THROUGH DECEMBER 31, 2008

	<u>January 1, 2008 through June 30, 2008</u>	<u>July 1, 2008 through December 31, 2008</u>	<u>Totals</u>
<u>Revenue</u>			
Grant revenue	\$ 144,073	\$ 32,968	\$ 177,041
Total Revenue	<u>\$ 144,073</u>	<u>\$ 32,968</u>	<u>\$ 177,041</u>
<u>Expenditures</u>			
Administrative costs	\$ 5,734	\$ 5,995	\$ 11,729
Assurance 16: Assurance 16 program costs	<u>8,248</u>	<u>8,684</u>	<u>16,932</u>
Intake: Intake costs	<u>2,543</u>	<u>2,656</u>	<u>5,199</u>
Outreach: Outreach	<u>6,357</u>	<u>6,640</u>	<u>12,997</u>
ECIP:			
Cooling service repair	-	1,468	1,468
Heating service repair	-	2,170	2,170
Wood/propane/oil	<u>56,413</u>	<u>8,330</u>	<u>64,743</u>
Total ECIP	<u>56,413</u>	<u>11,968</u>	<u>68,381</u>
HEAP:			
Wood/propane/oil	<u>46,150</u>	<u>15,654</u>	<u>61,804</u>
Total HEAP	<u>46,150</u>	<u>15,654</u>	<u>61,804</u>
Total Expenditures	<u>\$ 125,445</u>	<u>\$ 51,597</u>	<u>\$ 171,843</u>

COUNTY OF MARIPOSA, CALIFORNIA
SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURE
CSD CONTRACT NO. 09B-5523 (WX) (LIHEAP)
FOR THE PERIOD JANUARY 1, 2009 THROUGH DECEMBER 31, 2009

	<u>January 1, 2009 through June 30, 2009</u>	<u>July 1, 2009 through December 31, 2009</u>	<u>Totals</u>
<u>Revenue</u>			
Grant revenue	\$ 13,743	\$ -	\$ 13,743
Total Revenue	<u>\$ 13,743</u>	<u>\$ -</u>	<u>\$ 13,743</u>
<u>Expenditures</u>			
Administrative costs	\$ 6,338	\$ -	\$ 6,338
Other Program Costs:			
Training and technical assistance	2,663	-	2,663
Total Other Program Costs	<u>2,663</u>	<u>-</u>	<u>2,663</u>
Program Costs:			
Intake	1,308	-	1,308
Outreach	3,434	-	3,434
Total Program Costs	<u>4,742</u>	<u>-</u>	<u>4,742</u>
Total Expenditures	<u>\$ 13,743</u>	<u>\$ -</u>	<u>\$ 11,080</u>

COUNTY OF MARIPOSA, CALIFORNIA
SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURE
CSD CONTRACT NO. 09B-5523 (ECIP/HEAP)
FOR THE PERIOD JANUARY 1, 2009 THROUGH DECEMBER 31, 2009

	<u>January 1, 2009 through June 30, 2009</u>	<u>July 1, 2009 through December 31, 2009</u>	<u>Totals</u>
<u>Revenue</u>			
Grant revenue	\$ 101,340	\$ -	\$ 101,340
Total Revenue	<u>\$ 101,340</u>	<u>\$ -</u>	<u>\$ 101,340</u>
<u>Expenditures</u>			
Administrative costs	\$ 10,997	\$ -	\$ 10,997
Assurance 16: Assurance 16 program costs	15,003	-	15,003
Intake: Intake costs	4,567	-	4,567
Outreach: Outreach	11,269	-	11,269
ECIP: Heating service repair	1,527	-	1,527
Wood/propane/oil	78,538	-	78,538
Total ECIP	<u>80,065</u>	<u>-</u>	<u>80,065</u>
HEAP: Wood/propane/oil	18,562	-	18,562
Total HEAP	<u>18,562</u>	<u>-</u>	<u>18,562</u>
Total Expenditures	<u>\$ 140,463</u>	<u>\$ -</u>	<u>\$ 140,463</u>

COUNTY OF MARIPOSA, CALIFORNIA
SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURE
CSD CONTRACT NO. 08F-4907 (CSBG) (2008)
FOR THE PERIOD JANUARY 1, 2008 THROUGH DECEMBER 31, 2008

	January 1, 2008 through June 30, 2008	July 1, 2008 through December 31, 2008	Totals
<u>Revenue</u>			
Grant revenue	\$ 25,670	\$ 189,889	\$ 215,559
Total Revenue	<u>\$ 25,670</u>	<u>\$ 189,889</u>	<u>\$ 215,559</u>
<u>Expenditures</u>			
Administrative Costs:			
Salaries and wages	\$ 7,973	\$ 7,973	\$ 15,946
Fringe benefits	5,121	5,122	\$ 10,243
Operating expenses and equipment	1,853	1,853	\$ 3,706
Other costs	4,497	4,498	8,995
Total Administrative Costs	<u>19,444</u>	<u>19,446</u>	<u>38,890</u>
Program Costs:			
Salaries and wages	5,239	5,239	10,478
Fringe benefits	3,366	3,366	6,732
Operating expenses and equipment	4,930	4,930	9,860
Subcontractor services	15,694	161,401	177,095
Total Program Costs	<u>29,229</u>	<u>174,936</u>	<u>204,165</u>
Total Expenditures	<u>\$ 48,673</u>	<u>\$ 194,382</u>	<u>\$ 243,055</u>

COUNTY OF MARIPOSA, CALIFORNIA
SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURE
CSD CONTRACT NO. 08F-4907 (CSBG) (2009)
FOR THE PERIOD JANUARY 1, 2009 THROUGH DECEMBER 31, 2009

	<u>January 1, 2009 through June 30, 2009</u>	<u>July 1, 2009 through December 31, 2009</u>	<u>Totals</u>
<u>Revenue</u>			
Grant revenue	\$ -	\$ -	\$ -
Total Revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Expenditures</u>			
Administrative Costs:			
Salaries and wages	\$ 8,076	\$ -	\$ 8,076
Fringe benefits	5,255	-	\$ 5,255
Operating expenses and equipment	3,102	-	\$ 3,102
Other costs	<u>4,681</u>	<u>-</u>	<u>4,681</u>
Total Administrative Costs	<u>21,114</u>	<u>-</u>	<u>21,114</u>
Program Costs:			
Salaries and wages	5,307	-	5,307
Fringe benefits	3,453	-	3,453
Operating expenses and equipment	6,724	-	6,724
Subcontractor services	<u>45,442</u>	<u>-</u>	<u>45,442</u>
Total Program Costs	<u>60,926</u>	<u>-</u>	<u>60,926</u>
Total Expenditures	<u>\$ 82,040</u>	<u>\$ -</u>	<u>\$ 82,040</u>

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