

**COUNTY OF MARIPOSA,
CALIFORNIA**



**SINGLE AUDIT ACT
REPORTS AND SCHEDULES
FOR THE YEAR ENDED
JUNE 30, 2011**

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COUNTY OF MARIPOSA
Single Audit Act
For the Year Ended June 30, 2011

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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 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, 2011, which collectively comprise the County's basic financial statements and have issued our report thereon dated February 8, 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

Management of the County is responsible for establishing and maintaining effective 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 a certain 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a material weakness. (11-FS-01)

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

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies. (11-FS-02 and 11-FS-03)

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 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, the Board of Supervisors and Grand Jury, others within the organization, and 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
February 8, 2012

**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 Mariposa
Mariposa, California

Compliance

We have audited County of Mariposa, California's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of its 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. 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 11-SA-01.

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the 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 to determine the 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.

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

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

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 it.

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 County of Mariposa, California, as of and for the year ended June 30, 2011, and have issued our report thereon dated February 8, 2012. Our audit was performed for the purposes 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, the Board of Supervisors and Grand Jury, others within the entity, 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
February 8, 2012

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

Federal Program/Pass Through Program Title	CFDA Number	Federal Pass-Through Grantor Number	Federal Expenditures
U.S. Department of Agriculture			
Direct Program:			
Cooperative Forestry Assistance	10.664	07-LE-11051360-006	\$ 27,686
Passed through State Department of Social Services:			
Supplemental Nutrition Assistance Program	10.551	-	2,756,822
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	-	283,194
ARRA - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	-	<u>5,005</u>
Subtotal 10.561			<u>288,199</u>
Passed through State Controller's Office			
Schools and Roads - Grants to States	10.665	-	235,161
Schools and Roads - Grants to States	10.665	10-PA-11051650-072	<u>2,387</u>
Subtotal 10.665			<u>237,548</u>
Schools and Roads - Grants to Counties	10.666	-	993
Passed through State Department of Food and Agriculture:			
Forest Health Protection	10.680	10-6922	2,084
ARRA - Recovery Act of 2009: Wildland Fire Management	10.688	09-0555	<u>13,480</u>
Total U.S. Department of Agriculture			<u>3,326,812</u>
Department of Housing and Urban Development			
Passed through State Department of Housing and Community Development:			
Rural Housing and Economic Development	14.250	08 EDEF 5890	<u>41,752</u>
Total Department of Housing and Urban Development			<u>41,752</u>
U.S. Department of the Interior			
Direct Program:			
Payments in Lieu of Taxes	15.226	-	950,889
Rural Fire Assistance	15.ABO	F8812-07-0001	<u>17,870</u>
Total U.S. Department of the Interior			<u>968,759</u>
U.S. Department of Justice			
Direct Program:			
State Criminal Alien Assistance Program	16.606	-	203
Bulletproof Vest Partnership Program	16.607	-	<u>3,414</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

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

<u>Federal Program/Pass Through Program Title</u>	<u>CFDA Number</u>	<u>Federal Pass-Through Grantor Number</u>	<u>Federal Expenditures</u>
U.S. Department of Justice (Continued)			
Passed through State Emergency Management Agency:			
Crime Victim Assistance/Discretionary Grants	16.582	VW 1018 0220	34,374
Edward Byrne Memorial Justice Assistance Grant Program	16.738	DC 1013 0220	\$ 128,271
ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government	16.804	ZA 0901 0220	175,462
ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government	16.804	ZP 0901 0220	5,140
Subtotal 16.804			<u>180,602</u>
Passed through State Board of Corrections:			
Juvenile Accountability Block Grants	16.523	CSA 121-09	297
Total U.S. Department of Justice			<u>347,161</u>
U.S. Department of Labor			
Direct Program:			
ARRA - Employee Benefits Security Administration (EBSA)	17.151	-	1,838
Total U.S. Department of Labor			<u>1,838</u>
U.S. Department of Transportation			
Direct Program:			
Airport Improvement Program	20.106	3-06-0147-08	32,651
Airport Improvement Program	20.106	3-06-0147-09	315,087
Subtotal 20.106			<u>347,738</u>
Highway Planning and Construction	20.205	HPLUL-5940(057)	440,333
Highway Planning and Construction	20.205	HPLUL-5940(060)	104,484
Highway Planning and Construction	20.205	HPLUL-5940(065)	373,842
Highway Planning and Construction	20.205	HPLUL-5940(072)	52,588
Highway Planning and Construction	20.205	CML-5940(079)	95,612
Highway Planning and Construction	20.205	CML-5940(081)	21,509
Subtotal 20.205			<u>1,088,368</u>
Total U.S. Department of Transportation			<u>1,436,106</u>
U.S. Department of Energy			
Passed through State Department of Community Services and Development:			
Weatherization Assistance for Low-Income Persons	81.042	09C-1771	8,020

See accompanying Notes to Schedule of Expenditures of Federal Awards

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

<u>Federal Program/Pass Through Program Title</u>	<u>CFDA Number</u>	<u>Federal Pass-Through Grantor Number</u>	<u>Federal Expenditures</u>
U.S. Department of Energy (Continued)			
Passed through State Department of Community Services and Development: (Continued)			
ARRA - Weatherization Assistance for Low-Income Persons	81.042	09C-1823	102,604
Total U.S. Department of Energy			<u>110,624</u>
U.S. Department of Health and Human Services			
Passed through State Department of Aging:			
Special Programs for the Aging - Title III, Part B -			
Grants for Supportive Services and Senior Centers	93.044	-	\$ 13,500
Nutrition Services Incentive Program	93.053	-	11,518
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	C-1 Congregate	38,349
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	C-1 Restaurant	6,946
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	C-2 Delivered Meals	14,449
Subtotal 93.045			<u>59,744</u>
Passed through State Department of Social Services:			
Promoting Safe and Stable Families	93.556	-	4,078
Temporary Assistance for Needy Families	93.558	-	1,969,205
Community-Based Child Abuse Prevention Grants	93.590	-	29,901
Stephanie Tubbs Jones Child Welfare Services Program	93.645	-	14,546
Social Services Block Grant	93.667	-	37,133
Chafee Foster Care Independence Program	93.674	-	21,780
ARRA Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program	93.714	-	121,018
Foster Care - Title IV-E	93.658	-	601,926
ARRA - Foster Care - Title IV-E	93.658	-	14,925
Subtotal 93.658			<u>616,851</u>
Adoption Assistance	93.659	-	216,377
ARRA - Adoption Assistance	93.659	-	17,854
Subtotal 93.659			<u>234,231</u>
Passed through State Department of Mental Health Services:			
Projects for Assistance in Transition from Homelessness (PATH)	93.150	PATH	10,000
Block Grants for Community Mental Health Services	93.958	SAMSHA	92,532
Passed through State Department of Child Support Services:			
Child Support Enforcement	93.563	-	400,260
ARRA - Child Support Enforcement	93.563	-	18,202
Subtotal 93.563			<u>418,462</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

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

<u>Federal Program/Pass Through Program Title</u>	<u>CFDA Number</u>	<u>Federal Pass-Through Grantor Number</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services (Continued)			
Passed through State Department of Alcohol and Drug Programs: Block Grants for Prevention and Treatment of Substance Abuse	93.959	SAPT	390,827
Passed through State Department of Health Services:			
Immunization Grants	93.268	10-95382	19,614
Maternal and Child Health Services Block Grant to the States	93.994	MCH	41,645
Medical Assistance Program	93.778	CCS	12,936
Medical Assistance Program	93.778	CHDP	34,832
Medical Assistance Program	93.778	HCPCFC	10,583
Medical Assistance Program	93.778	-	30,266
Medical Assistance Program	93.778	IHSS	99,859
Subtotal 93.778			<u>249,735</u>
Public Health Emergency Preparedness	93.069	-	149,878
National Bioterrorism Hospital Preparedness Program	93.889	-	70,046
Passed through State Department of Community Services and Development:			
Low-Income Home Energy Assistance	93.568	09B-5523	27,404
Low-Income Home Energy Assistance	93.568	10B-5623	289,059
Low-Income Home Energy Assistance	93.568	11B-5723	264,161
Subtotal 93.568			<u>580,624</u>
ARRA - Community Services Block Grant	93.569	09F-5107	46,161
Community Services Block Grant	93.569	10F-4007	141,807
Community Services Block Grant	93.569	10F-4075	10,625
Subtotal 93.569			<u>198,593</u>
Total U.S. Department of Health and Human Services			<u>5,294,202</u>
Department of Homeland Security			
Passed through State Emergency Management Agency:			
Emergency Management Performance Grants	97.042	10 EMPG	128,161
Assistance to Firefighters Grant	97.044	EMW-2009-FO-02008	27,018
Homeland Security Grant Program	97.067	09 HSGP	134,752
State Homeland Security Program (SHSP)	97.073	2007-8	39,250
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2007-FF-00145	99,865
ARRA - Assistance to Firefighters Grant	97.115	EMW-2009-FC-03965R	105,084
Total Department of Homeland Security			<u>534,130</u>
Total			<u>\$ 12,061,384</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

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

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

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied. All governmental funds are accounted for using the modified accrual basis of accounting. All proprietary funds are accounted for using the accrual basis of accounting. Expenditures of Federal Awards reported on the Schedule are generally recognized when they occur.

In accordance with requirements under OMB Circular A-133, expenditures for federal awards under the American Recovery and Reinvestment Act of 2009 (ARRA) are separately identified by inclusion of the prefix "ARRA" on the Schedule of Expenditures of Federal Awards.

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 (SNAP)	\$ 2,756,822
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	283,194
10.561	ARRA - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	<u>5,005</u>
	Total	<u>\$ 3,045,021</u>

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

5. PROGRAM CLUSTERS (CONTINUED)

<u>Federal CFDA</u>	<u>Program Title</u>	<u>Federal Expenditures</u>
<u>Schools and Roads Cluster</u>		
10.665	Schools and Roads - Grants to States	\$ 237,548
10.666	Schools and Roads - Grants to Counties	<u>993</u>
	Total	<u>\$ 238,541</u>
<u>JAG Program Cluster</u>		
16.738	Edward Byrne Memorial Justice Assistance Grant Program	\$ 128,271
16.804	ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government	<u>180,602</u>
	Total	<u>\$ 308,873</u>
<u>Aging Cluster</u>		
93.044	Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	\$ 13,500
93.045	Special Programs for the Aging - Title III, Part C - Nutrition Services	59,744
93.053	Nutrition Services Incentive Program	<u>11,518</u>
	Total	<u>\$ 84,762</u>
<u>TANF Cluster</u>		
93.558	Temporary Assistance for Needy Families	\$ 1,969,205
93.714	ARRA Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program	<u>121,018</u>
	Total	<u>\$ 2,090,223</u>

6. CALIFORNIA DEPARTMENT OF AGING (CDA) REPORTING REQUIREMENTS

The terms and conditions of contracts with CDA require agencies to display state-funded expenditures discretely along with the related federal expenditures. The following schedule is presented to comply with these requirements.

<u>CFDA</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>
93.044	\$ 13,500	\$ -
93.045	59,744	-
93.053	<u>11,518</u>	-
Total	<u>\$ 84,762</u>	<u>\$ -</u>

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

7. CALIFORNIA EMERGENCY MANAGEMENT AGENCY GRANT EXPENDITURES

The following schedule represents expenditures for U.S. Department of Justice grants passed through the State of California, Emergency Management Agency (CalEMA), as well as CalEMA funded grant expenditures for the year ended June 30, 2011. This information is included in the County's single audit report at the request of CalEMA.

Program	Expenditures Claimed		Share of Expenditures Current Year		
	For the Year Through June 30, 2011	Cumulative As of June 30, 2011	Federal Share	State Share	County Share
<u>VW10180220 - Crime Victim Assistance/Discretionary Grants</u>					
Personal services	\$ 70,231	\$ 70,231	\$ 34,124	\$ 36,107	\$ -
Operating expenses	14,272	14,272	250	14,022	-
Equipment	-	-	-	-	-
Totals	<u>\$ 84,503</u>	<u>\$ 84,503</u>	<u>\$ 34,374</u>	<u>\$ 50,129</u>	<u>\$ -</u>
<u>DC10130220 - Edward Byrne Memorial Justice Assistance Grant Program</u>					
Personal services	\$ 63,131	\$ 63,131	\$ 63,131	\$ -	\$ -
Operating expenses	65,140	65,140	65,140	-	-
Equipment	-	-	-	-	-
Totals	<u>\$ 128,271</u>	<u>\$ 128,271</u>	<u>\$ 128,271</u>	<u>\$ -</u>	<u>\$ -</u>
<u>ZA09010220 - ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to Units of Local Government</u>					
Personal services	\$ 86,247	\$ 86,247	\$ 86,247	\$ -	\$ -
Operating expenses	89,215	89,215	89,215	-	-
Equipment	-	-	-	-	-
Totals	<u>\$ 175,462</u>	<u>\$ 175,462</u>	<u>\$ 175,462</u>	<u>\$ -</u>	<u>\$ -</u>
<u>ZP09010220 - ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to Units of Local Government</u>					
Personal services	\$ -	\$ -	\$ -	\$ -	\$ -
Operating expenses	5,140	5,140	5,140	-	-
Equipment	-	-	-	-	-
Totals	<u>\$ 5,140</u>	<u>\$ 5,140</u>	<u>\$ 5,140</u>	<u>\$ -</u>	<u>\$ -</u>

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

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Status

- | | |
|--|-------------|
| 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 |

Federal Awards

- | | |
|--|-------------|
| 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)? | No |

4. Identification of major programs:

- | | |
|--------|--|
| 10.551 | Supplemental Nutrition Assistance Program |
| 10.561 | State Administrative Matching Grants for the Supplemental Nutrition Assistance Program |
| 15.226 | Payments in Lieu of Taxes |
| 20.205 | Highway Planning and Construction |
| 93.558 | Temporary Assistance for Needy Families |
| 93.568 | Low-Income Home Energy Assistance |
| 93.658 | Foster Care - Title IV-E |
| 93.658 | ARRA - Foster Care - Title IV-E |
| 93.659 | Adoption Assistance |
| 93.659 | ARRA - Adoption Assistance |
| 93.714 | ARRA Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program |
| 93.959 | Block Grants for Prevention and Treatment of Substance Abuse |

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

I. SUMMARY OF AUDITOR'S RESULTS (CONTINUED)

- | | |
|---|------------|
| 5. Dollar threshold used to distinguish between Type A and Type B programs? | \$ 361,750 |
| 6. Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 530? | Yes |

II. FINANCIAL STATEMENT FINDINGS

- | | |
|---|----------|
| Financial Reporting: Material Weakness | 11-FS-01 |
| Financial Reporting: Significant Deficiency | 11-FS-02 |
| Financial Reporting: Significant Deficiency | 11-FS-03 |

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

- | | |
|--------|----------|
| 93.568 | 11-SA-01 |
|--------|----------|

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

Schedule of Material Weaknesses

11-FS-01 Revenue Recognition

Condition

During our audit we noted the County had recorded as revenue in prior years \$1,862,716 of monies received from the State of California by the Human Services Department. Upon further analysis it was noted that all eligibility requirements had not been met for this revenue and it should have been recorded as unearned. In addition, we noted that this money had been expended and there was no reconciliation of amounts reported to the State and the amounts reflected in the County general ledger.

Cause

The County recognized as revenue monies when received rather than when all eligibility requirements had been met. In addition program expenditures were not reconciled to the County general ledger.

Criteria

Governmental Accounting Standards Board Statement No. 33 states that nonexchange transactions should be recognized as revenue when all eligibility requirements have been met and State programs require reconciliation of expenditures claimed to amounts actually expended per the general ledger.

Effect of Condition

Unearned revenue was recognized and expended. When this misstatement was corrected, the Mental Health Services Act fund had a deficit fund balance of \$1,462,432.

Recommendation

We recommend that the County review its revenue recognition policy and ensure that all revenues are recognized in accordance with GASB Statement No. 33. We also recommend that all amounts reported to the State be reconciled by program to the amounts reflected in the County general ledger.

Corrective Action Plan

The County has had procedures that recognize revenue when cash is received without distinction for grants that are reimbursement and grants that are cash up front. The County will implement procedures to ensure that, in the future, unearned revenue is recorded as such until all eligibility requirements have been met to qualify as revenue. In the specific case referenced there is no ability for the County to earn the revenue because the monies were expended on undesignated tasks outside of the projects that the monies were provided for.

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

Schedule of Significant Deficiencies

11-FS-02 Workers' Compensation Insurance Underfunded

Condition

The Workers' Compensation Insurance internal service fund had deficit net assets as of June 30, 2011. During the current fiscal year the deficit was reduced from \$1,197,869 to \$721,413. This is the second year that the deficit has been reduced, however there is still inadequate reserves to settle the estimated accrued liabilities.

Cause

In prior years the charges for services in this fund were not sufficient to cover the accrued liability.

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

Although the County is reducing the deficit in the Workers' Compensation Insurance internal service fund, at June 30, 2011 there was still inadequate reserves to settle the estimated accrued liabilities.

Recommendation

We recommend that the County continue to monitor this fund and manage the deficit until adequate reserves are established for the Workers Compensation Insurance internal service fund.

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.

11-FS-03 Human Services Time Study Reports

Condition

In reviewing the allocation of costs for Human Services state funding sources, we noted that time is summarized by program for each employee into time studies. These time studies are used to document time charged to the various state funding programs. Our testing of the accuracy of these time studies disclosed a number of inconsistencies. We noted various issues with the dates on the time studies, including instances where the time study was dated after the due date deadline on the report submitted to the State. We also noted changes made without employee approval noted, no employee signature, no supervisor signature and various other errors. The accuracy of costs charged to the individual state programs is dependent on the internal control and accuracy with which these time studies are prepared.

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

Schedule of Significant Deficiencies

11-FS-03 Human Services Time Study Reports (Continued)

Cause

The cause for these inconsistencies is unclear. There is insufficient audit trail and inadequate documentation to verify the reason for the errors.

Criteria

Costs to state funded programs need to be consistently and accurately documented in order to ensure that all allowable costs are reimbursed as well as ensuring that costs are not inappropriately charged to an incorrect program.

Effect of Condition

The effect of these inconsistencies is unclear. Based on the records that were available for audit, we could not determine if the final time studies were accurately documenting the time charged to the various state funding programs.

Recommendation

We recommend that the department work with the County Auditor Controller to develop internal control procedures to ensure that inconsistencies are minimized as well as to provide adequate documentation for changes and support for time charged to the various state funded programs.

Corrective Action Plan

The County Auditor will work with the Human Services Department to establish a process that ensures the accuracy of the time study information reported to the state.

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

11-SA-01

Name: LOW-INCOME HOME ENERGY ASSISTANCE
CFDA #: 93.568
Federal Grantor: U.S. Department of Health and Human Services
Pass Through Entity: State Department of Community Services and Development
Award No.: 09B-5523
Year: 2010/2011

Condition

During our audit of State Department of Community Services and Development contract reporting, we noted that the County Human Services department claimed expenditures for the 2010/2011 fiscal year in excess of the County general ledger amounts for contract 09B-5523 by \$2,363.

Perspective

Out of three CSD contracts, one contract had expenditures claimed in excess of expenditures reported on the County general ledger.

Cause

Monthly activity reports were not being reconciled to the general ledger to verify that amounts reported as contract expenditures were supported by actual recorded expenditures.

Criteria

Good internal control over CSD monthly reporting requires that amounts reported be based on actual costs incurred and accounted for in the primary accounting records of the County (the general ledger).

Effect of Condition

On contract 09B-5523 the County Human Services department reported \$2,363 more in expenditures for the 2010/2011 fiscal year than was supported by the County general ledger.

Questioned Costs

\$2,363 in costs were claimed in excess of expenditures reported in the general ledger.

Recommendation

We recommend that the County Human Services department reconcile monthly activity reports to the general ledger on a monthly basis and only report amounts actually expended as supported by the County general ledger.

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

11-SA-01 (CONTINUED)

Corrective Action Plan

In the future the Human Services Department will ensure that all expenditures are reconciled with the County general ledger on a monthly basis and will only report/claim amounts that are posted to the general ledger.

COUNTY OF MARIPOSA
Summary Schedule of Prior Audit Recommendations
For the Year Ended June 30, 2011

<u>Audit Reference</u>	<u>Status of Prior Audit Recommendations</u>
10-FS-01	<p>Workers Compensation Insurance Underfunded</p> <p>Recommendation</p> <p>We recommend that the County review options to manage this deficit and begin a program to fund or insure the liability.</p> <p>Status</p> <p>In Progress</p>
10-SA-01	<p>Section 8 Housing Choice Vouchers</p> <p>Recommendation</p> <p>We recommend that the Housing Authority reconcile the monthly reporting of Section 8 Housing Choice Vouchers on the Voucher Management System to the general ledger and report only expenditures based on actual amounts.</p> <p>Status</p> <p>No Longer Applicable</p>

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**Supplemental Statements of Revenue and
Expenditures Passed Through State Department of
Community Services and Development**

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COUNTY OF MARIPOSA
Supplemental Statement of Revenue and Expenditure
CSD Contract No. 09C-1771 (DOE-WX)
For the Period July 1, 2010 Through June 30, 2011

	<u>July 1, 2010 through June 30, 2011</u>	<u>Totals</u>
Revenue		
Grant revenue	\$ 5,094	\$ 5,094
Total Revenue	<u>\$ 5,094</u>	<u>\$ 5,094</u>
Expenditures		
Program Costs:		
Training and technical assistance	\$ 1,003	\$ 1,003
Direct program activities	5,798	5,798
Health and safety activities	<u>1,219</u>	<u>1,219</u>
Total Program Costs	<u>8,020</u>	<u>8,020</u>
Total Reported Expenditures	<u>\$ 8,020</u>	<u>\$ 8,020</u>

COUNTY OF MARIPOSA
Supplemental Statement of Revenue and Expenditure
CSD Contract No. 09C-1823 (DOE-WX)
For the Period July 1, 2009 Through June 30, 2011

	<u>July 1, 2009 through June 30, 2010</u>	<u>July 1, 2010 through June 30, 2011</u>	<u>Totals</u>
Revenue			
Grant revenue	\$ 7,606	\$ 100,359	\$ 107,965
Total Revenue	<u>\$ 7,606</u>	<u>\$ 100,359</u>	<u>\$ 107,965</u>
Expenditures			
Administrative costs	\$ 4,730	\$ 5,917	\$ 10,647
Program Costs:			
Client education	-	12,431	12,431
Outreach	1,137	5,653	6,790
Training and technical assistance	9,767	-	9,767
Minor vehicle and field equipment (less than \$5,000)	4,097	1,598	5,695
Vehicle insurance	95	-	95
Intake	-	6,535	6,535
Direct program activities	-	30,187	30,187
Health and safety activities	-	6,225	6,225
General/operating expenditures	1,304	34,058	35,362
Total Program Costs	<u>16,400</u>	<u>96,687</u>	<u>113,087</u>
Total Reported Expenditures	<u>\$ 21,130</u>	<u>\$ 102,604</u>	<u>\$ 123,734</u>

COUNTY OF MARIPOSA
Supplemental Statement of Revenue and Expenditure
CSD Contract No. 09B-5523 (WX) (LIHEAP)
For the Period January 1, 2009 Through June 30, 2011

	<u>January 1, 2009 through June 30, 2009</u>	<u>July 1, 2009 through June 30, 2010</u>	<u>July 1, 2010 through June 30, 2011</u>	<u>Totals</u>
Revenue				
Grant revenue	\$ 13,743	\$ 98,401	\$ 21,159	\$ 133,303
Total Revenue	<u>\$ 13,743</u>	<u>\$ 98,401</u>	<u>\$ 21,159</u>	<u>\$ 133,303</u>
Expenditures				
Administrative costs	\$ 6,338	\$ 4,105	\$ 220	\$ 10,663
Weatherization Program Budget:				
Intake	1,308	719	640	2,667
Outreach	3,434	1,514	1,719	6,667
Training and technical assistance	2,663	4	-	2,667
Direct program activities	-	91,732	-	91,732
Liability insurance	-	327	-	327
Vehicle and equipment - acquisition costs	-	-	18,580	18,580
Total Program Costs	<u>7,405</u>	<u>94,296</u>	<u>20,939</u>	<u>122,640</u>
Total Reported Expenditures	<u>\$ 13,743</u>	<u>\$ 98,401</u>	21,159	<u>\$ 133,303</u>
Total Audited Expenditures			<u>23,416</u>	
Unreconciled difference			<u>\$ 2,257</u>	

COUNTY OF MARIPOSA
Supplemental Statement of Revenue and Expenditure
CSD Contract No. 09B-5523 (ECIP/HEAP)
For the Period January 1, 2009 Through June 30, 2011

	January 1, 2009 through June 30, 2009	July 1, 2009 through June 30, 2010	July 1, 2010 through June 30, 2011	Totals
Revenue				
Grant revenue	\$ 101,340	\$ 98,530	\$ 91,889	\$ 291,759
Total Revenue	\$ 101,340	\$ 98,530	\$ 91,889	\$ 291,759
Expenditures				
Administrative costs	\$ 10,997	\$ 9,837	\$ 962	\$ 21,796
Assurance 16: Assurance 16 program costs	15,003	15,301	2,104	32,408
Intake: Intake costs	4,567	4,356	79	9,002
Outreach: Outreach	11,269	10,202	1,029	22,500
ECIP HEAP Costs:				
ECIP EHCS Cooling service repair/replacement	-	2,039	-	2,039
ECIP EHCS Heating service repair/replacement	1,527	2,316	-	3,843
ECIP Wood, propane, and oil payments	78,538	65,785	1,370	145,693
Severe weather energy assistance and transportation services (SWEATS)	-	-	1,768	1,768
HEAP Wood, propane, and oil payments	18,562	32,524	1,296	52,382
Liability insurance	-	327	-	327
Total ECIP HEAP Costs	98,627	102,991	4,434	206,052
Total Reported Expenditures	\$ 140,463	\$ 142,687	8,608	\$ 291,758
Total Audited Expenditures			3,988	
Unreconciled difference			\$ (4,620)	

COUNTY OF MARIPOSA
Supplemental Statement of Revenue and Expenditure
CSD Contract No. 10B-5623 (WX) (LIHEAP)
For the Period January 1, 2010 Through June 30, 2011

	January 1, 2010 through June 30, 2010	July 1, 2010 through June 30, 2011	Totals
Revenue			
Grant revenue	\$ -	\$ 142,874	\$ 142,874
Total Revenue	<u>\$ -</u>	<u>\$ 142,874</u>	<u>\$ 142,874</u>
Expenditures			
Administrative costs	<u>\$ -</u>	<u>\$ 11,547</u>	<u>\$ 11,547</u>
Weatherization Program Budget:			
Intake	-	2,932	2,932
Outreach	-	4,053	4,053
Training and technical assistance	1,805	1,291	3,096
Direct program activities	19,422	82,206	101,628
Liability insurance	-	336	336
Vehicle and equipment - acquisition costs	<u>-</u>	<u>19,282</u>	<u>19,282</u>
Total Program Costs	<u>21,227</u>	<u>110,100</u>	<u>131,327</u>
Total Reported Expenditures	<u>\$ 21,227</u>	<u>\$ 121,647</u>	<u>\$ 142,874</u>

COUNTY OF MARIPOSA
Supplemental Statement of Revenue and Expenditure
CSD Contract No. 10B-5623 (ECIP/HEAP)
For the Period January 1, 2010 Through June 30, 2011

	<u>January 1, 2010 through June 30, 2010</u>	<u>July 1, 2010 through June 30, 2011</u>	<u>Totals</u>
Revenue			
Grant revenue	\$ -	\$ 359,297	\$ 359,297
Total Revenue	<u>\$ -</u>	<u>\$ 359,297</u>	<u>\$ 359,297</u>
Expenditures			
Administrative costs	<u>\$ 4,815</u>	<u>\$ 18,472</u>	<u>\$ 23,287</u>
Assurance 16: Assurance 16 program costs	<u>9,214</u>	<u>18,059</u>	<u>27,273</u>
Intake: Intake costs	<u>2,104</u>	<u>4,776</u>	<u>6,880</u>
Outreach: Outreach	<u>4,974</u>	<u>12,827</u>	<u>17,801</u>
ECIP HEAP Costs:			
ECIP EHCS Heating service repair/replacement	2,472	-	2,472
ECIP EHCS Other program costs	145	-	145
ECIP Wood, propane, and oil payments	87,571	85,114	172,685
HEAP Wood, propane, and oil payments	24,084	27,828	51,912
Liability insurance	<u>-</u>	<u>336</u>	<u>336</u>
Total ECIP HEAP Costs	<u>114,272</u>	<u>113,278</u>	<u>227,550</u>
Total Reported Expenditures	<u>\$ 135,379</u>	<u>\$ 167,412</u>	<u>\$ 302,791</u>

COUNTY OF MARIPOSA
Supplemental Statement of Revenue and Expenditure
CSD Contract No. 11B-5723 (WX) (LIHEAP)
For the Period January 1, 2011 Through June 30, 2011

	January 1, 2011 through June 30, 2011	Totals
Revenue		
Grant revenue	\$ 70,655	\$ 70,655
Total Revenue	<u>\$ 70,655</u>	<u>\$ 70,655</u>
Expenditures		
Administrative costs	<u>\$ 12,767</u>	<u>\$ 12,767</u>
Weatherization Program Budget:		
Intake	4,435	4,435
Outreach	2,103	2,103
Training and technical assistance	524	524
Direct program activities	<u>50,826</u>	<u>50,826</u>
Total Program Costs	<u>57,888</u>	<u>57,888</u>
Total Reported Expenditures	<u>\$ 70,655</u>	<u>\$ 70,655</u>

COUNTY OF MARIPOSA
Supplemental Statement of Revenue and Expenditure
CSD Contract No. 11B-5723 (ECIP/HEAP)
For the Period January 1, 2011 Through June 30, 2011

	<u>January 1, 2011 through June 30, 2011</u>	<u>Totals</u>
Revenue		
Grant revenue	\$ 21,704	\$ 21,704
Total Revenue	<u>\$ 21,704</u>	<u>\$ 21,704</u>
Expenditures		
Administrative costs	\$ 14,308	\$ 14,308
Assurance 16: Assurance 16 program costs	<u>11,392</u>	<u>11,392</u>
Intake: Intake costs	<u>8,397</u>	<u>8,397</u>
Outreach: Outreach	<u>5,695</u>	<u>5,695</u>
Training and technical assistance: Training and technical assistance	<u>179</u>	<u>179</u>
ECIP HEAP Costs: ECIP Wood, propane, and oil payments	103,045	103,045
HEAP Wood, propane, and oil payments	<u>50,490</u>	<u>50,490</u>
Total ECIP HEAP Costs	<u>153,535</u>	<u>153,535</u>
Total Reported Expenditures	<u>\$ 193,506</u>	<u>\$ 193,506</u>

COUNTY OF MARIPOSA
Supplemental Statement of Revenue and Expenditure
CSD Contract No. 09F-5107 (CSBG)
For the Period July 1, 2009 Through June 30, 2011

	<u>July 1, 2009 through June 30, 2010</u>	<u>July 1, 2010 through June 30, 2011</u>	<u>Totals</u>
Revenue			
Grant revenue	\$ 45,698	\$ 60,890	\$ 106,588
Total Revenue	<u>\$ 45,698</u>	<u>\$ 60,890</u>	<u>\$ 106,588</u>
Expenditures			
Administrative Costs:			
Salaries and wages	\$ 5,647	\$ 2,771	\$ 8,418
Fringe benefits	3,387	1,725	5,112
Total Administrative Costs	<u>9,034</u>	<u>4,496</u>	<u>13,530</u>
Program Costs:			
Salaries and wages	29,014	14,963	43,977
Fringe benefits	15,079	9,254	24,333
Operating expenses and equipment	4,799	2,932	7,731
Subcontractor services	-	11,067	11,067
Other costs	2,500	3,449	5,949
Total Program Costs	<u>51,392</u>	<u>41,665</u>	<u>93,057</u>
Total Reported Expenditures	<u>\$ 60,426</u>	<u>\$ 46,161</u>	<u>\$ 106,587</u>

COUNTY OF MARIPOSA
Supplemental Statement of Revenue and Expenditure
CSD Contract No. 10F-4007 (CSBG)
For the Period January 1, 2010 Through June 30, 2011

	<u>January 1, 2010 through June 30, 2010</u>	<u>July 1, 2010 through June 30, 2011</u>	<u>Totals</u>
Revenue			
Grant revenue	\$ 22,568	\$ 234,997	\$ 257,565
Total Revenue	<u>\$ 22,568</u>	<u>\$ 234,997</u>	<u>\$ 257,565</u>
Expenditures			
Administrative Costs:			
Salaries and wages	\$ 4,342	\$ -	\$ 4,342
Fringe benefits	2,139	-	2,139
Subcontractor services	14,522	39,170	53,692
Total Administrative Costs	<u>21,003</u>	<u>39,170</u>	<u>60,173</u>
Program Costs:			
Salaries and wages	6,250	4,037	10,287
Fringe benefits	3,698	2,368	6,066
Operating expenses and equipment	6,920	6,522	13,442
Subcontractor services	71,876	84,887	156,763
Other costs	2,011	4,823	6,834
Total Program Costs	<u>90,755</u>	<u>102,637</u>	<u>193,392</u>
Total Reported Expenditures	<u>\$ 111,758</u>	<u>\$ 141,807</u>	<u>\$ 253,565</u>

COUNTY OF MARIPOSA
Supplemental Statement of Revenue and Expenditure
CSD Contract No. 10F-4075 (CSBG)
For the Period January 1, 2010 Through June 30, 2011

	<u>January 1, 2010 through June 30, 2010</u>	<u>July 1, 2010 through June 30, 2011</u>	<u>Totals</u>
Revenue			
Grant revenue	\$ -	\$ 11,000	\$ 11,000
Total Revenue	<u>\$ -</u>	<u>\$ 11,000</u>	<u>\$ 11,000</u>
Expenditures			
Administrative Costs:			
Salaries and wages	\$ -	\$ 1,825	\$ 1,825
Subcontractor services	4,000	2,300	6,300
Total Administrative Costs	<u>4,000</u>	<u>4,125</u>	<u>8,125</u>
Program Costs:			
Subcontractor services	-	6,500	6,500
Total Program Costs	<u>-</u>	<u>6,500</u>	<u>6,500</u>
Total Reported Expenditures	<u>\$ 4,000</u>	<u>\$ 10,625</u>	<u>\$ 14,625</u>

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