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COUNTY OF NEVADA,
CALIFORNIA

SINGLE AUDIT ACT
REPORTS AND SCHEDULES
FOR THE YEAR ENDED
JUNE 30, 2008

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COUNTY OF NEVADA, CALIFORNIA
SINGLE AUDIT ACT
FOR THE YEAR ENDED JUNE 30, 2008

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SMITH & NEWELL

CERTIFIED PUBLIC ACCOUNTANTS

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 Nevada
Nevada 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 Nevada, California (County), as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements and have issued our report thereon dated January 16, 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. Significant deficiencies are described in the accompanying Schedule of Findings and Questioned Costs as item number 08-FS-01.

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 08-FS-01 to be a material weakness.

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 other matters that we reported to management of the County in a separate report dated January 16, 2009.

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.

1425 BUTTE HOUSE ROAD YUBA CITY, CA 95993 TEL: (530) 673-9790 FAX: (530) 673-1305

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

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.

Smith & Newell, CPAs
Yuba City, California
January 16, 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 Nevada
Nevada City, California

Compliance

We have audited the compliance of County of Nevada, 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, 2008. 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, 2008. 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 08-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 financial reporting that we consider to be material weaknesses, as defined above.

1425 BUTTE HOUSE ROAD YUBA CITY, CA 95993 TEL: (530) 673-9790 FAX: (530) 673-1305

To the Board of Supervisors and Grand Jury
County of Nevada
Nevada City, 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 Nevada, California, as of and for the year ended June 30, 2008, and have issued our report thereon dated January 16, 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
January 16, 2009

COUNTY OF NEVADA, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008

Federal Program/Pass Through Program Title	CFDA Number	Federal Pass-Through Grantor Number	Federal Expenditures
U.S. Department of Agriculture			
Direct Program:			
Rural Housing Preservation Grants	10.433	06-USDA-HPG	$ 75,406
Passed through State Department of Education			
School Breakfast Program	10.553	-	10,008
National School Lunch Program	10.555	-	15,306
Passed through State Department of Social Services:			
Food Stamps	10.551	-	4,257,464
State Administrative Matching Grants for Food Stamp Program	10.561	-	532,409
Passed through State Department of Health Services:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	-	445,769
Passed through State Controller's Office			
Schools and Roads - Grants to States	10.665	-	476,903
Total U.S. Department of Agriculture			5,813,265
Department of Housing and Urban Development			
Direct Program:			
Section 8 Housing Choice Vouchers	14.871	-	1,302,766
Passed through State Department of Housing and Community Development:			
Community Development Block Grants/Technical Assistance Program	14.227	05 PTAA 1462	29,060
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	05 STBG 1577	188,946
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	-	128,972
Subtotal 14.228			317,918
HOME Investment Partnerships Program	14.239	04 HOME 0747	77,039
HOME Investment Partnerships Program	14.239	06 HOME 2347	788,423
Subtotal 14.239			865,462
Housing Opportunities for Persons with AIDS	14.241	07-65534	26,428
Rural Housing and Economic Development	14.250	05 EDBG 1975	68,661
Rural Housing and Economic Development	14.250	06 EDBG 2566	12,928
Rural Housing and Economic Development	14.250	06 EDBG 2716	6,785
Subtotal 14.250			88,374
Total Department of Housing and Urban Development			2,630,008
U.S. Department of the Interior			
Direct Program:			
Payments in Lieu of Taxes	15.226	-	40,192
Total U.S. Department of the Interior			40,192

See accompanying Notes to Schedule of Expenditures of Federal Awards

COUNTY OF NEVADA, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008

Federal Program/Pass Through Program Title	CFDA Number	Federal Pass-Through Grantor Number	Federal Expenditures
U.S. Department of Justice			
Direct Program:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2005 DJ BX 1659	11,682
Public Safety Partnership and Community Policing Grants	16.710	2006 CK WX 0529	75,808
Passed through State Office of Emergency Services:			
Crime Victim Assistance	16.575	EA 0607 0290	25,038
Crime Victim Assistance	16.575	EA 0708 0290	60,780
Crime Victim Assistance	16.575	VW 0721 0290	52,031
Subtotal 16.575			137,849
Edward Byrne Memorial Formula Grant Program	16.579	DC 0717 0290	126,970
Violence Against Women Formula Grants	16.588	VV 0703 0290	90,000
Passed through State Drug Enforcement Agency:			
Drug Court Discretionary Grant Program	16.585	2008-33	5,611
Total U.S. Department of Justice			447,920
U.S. Department of Transportation			
Passed through Federal Aviation Administration:			
Airport Improvement Program	20.106	AIP 3-06-0095-10	7,925
Airport Improvement Program	20.106	AIP 3-06-0095-12	65,387
Subtotal 20.106			73,312
Passed through State Department of Transportation:			
Highway Planning and Construction	20.205	BHLO-5917(037)	187,764
Highway Planning and Construction	20.205	BHLO-5917(040)	83,628
Highway Planning and Construction	20.205	BRLO-5917(030)	271,253
Highway Planning and Construction	20.205	BRLOZA-5917(031)	48,628
Subtotal 20.205			591,273
Formula Grants for Other Than Urbanized Areas	20.509	FTA 5311	476,124
Total U.S. Department of Transportation			1,140,709
U.S. Department of Energy			
Passed through State Department of Community Services and Development:			
Weatherization Assistance for Low-Income Persons	81.042	07C-1673	26,283
Total U.S. Department of Energy			26,283
Election Assistance Commission			
Direct Program:			
Help America Vote Act Requirements Payments	90.401	05 GR 301029	578,028
Total Election Assistance Commission			578,028

See accompanying Notes to Schedule of Expenditures of Federal Awards

COUNTY OF NEVADA, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008

Federal Program/Pass Through Program Title	CFDA Number	Federal Pass-Through Grantor Number	Federal Expenditures
U.S. Department of Health and Human Services			
Passed through State Department of Social Services:			
Promoting Safe and Stable Families	93.556	-	49,532
Temporary Assistance for Needy Families	93.558	-	5,626,076
Refugee and Entrant Assistance - State Administered Programs	93.566	-	432
Child Welfare Services - State Grants	93.645	-	29,810
Foster Care - Title IV-E	93.658	-	1,136,256
Adoption Assistance	93.659	-	705,232
Social Services Block Grant	93.667	-	66,268
Chafee Foster Care Independence Program	93.674	-	37,084
Passed through State Child Support Department			
Child Support Enforcement	93.563	-	2,894,556
Passed through State Department of Aging:			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	78-209-07	54,194
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	78-09-29-08	937
Passed through State Department of Health Services:			
Childhood Lead Poisoning Prevention Projects - State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	05-45154	10,531
Immunization Grants	93.268	07-65236	31,565
HIV Care Formula Grants	93.917	06-55763	69,812
Maternal and Child Health Services Block Grant to the States	93.994	MCH	126,367
Bioterrorism Training and Curriculum Development Program	93.996	-	153,425
Medical Assistance Program	93.778	CHDP	95,977
Medical Assistance Program	93.778	CCS	119,726
Medical Assistance Program	93.778	HCPCFC	31,481
Medical Assistance Program	93.778	IHSS	255,160
Medical Assistance Program	93.778	TCM	1,103
Subtotal 93.778			503,447
Passed through State Department of Mental Health Services:			
Block Grants for Community Mental Health Services	93.958	SAMSHA	81,011
Passed through State Department of Alcohol and Drug Programs:			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	SAPT	636,519
Passed through California Family Health Council, Inc.:			
Family Planning Services	93.217	-	45,855
Passed through State Department of Community Services and Development:			
Low-Income Home Energy Assistance	93.568	06B-5376	43,373
Low-Income Home Energy Assistance	93.568	07B-5426	239,952
Low-Income Home Energy Assistance	93.568	08B-5476	97,333
Subtotal 93.568			380,658
Community Services Block Grant	93.569	07F-4835	38,983
Community Services Block Grant	93.569	08F-4930	143,303
Subtotal 93.569			182,286
Total Department of Health and Human Services			12,821,853

See accompanying Notes to Schedule of Expenditures of Federal Awards

COUNTY OF NEVADA, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008

Federal Program/Pass Through Program Title	CFDA Number	Federal Pass-Through Grantor Number	Federal Expenditures
Department of Homeland Security			
Passed through State Office of Emergency Services:			
Emergency Management Performance Grants	97.042	2007-EM-E7-006	61,170
State Homeland Security Program (SHSP)	97.073	FY 07 HSG	92,058
Law Enforcement Terrorism Prevention Program (LETPP)	97.074	FY 07 HSG	2,527
Buffer Zone Protection Program (BZPP)	97.078	2006-0045	258,224
Total Department of Homeland Security			413,979
Total			$ 23,912,237

See accompanying Notes to Schedule of Expenditures of Federal Awards

COUNTY OF NEVADA, CALIFORNIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008

1. REPORTING ENTITY

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the County of Nevada. The County of Nevada 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. SUBRECIPIENTS

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

Federal CFDA	Subrecipient	Amount
14.228	Sierra Economic Development District	$ 55,881
10.665	Nevada County Fire Safe Council	103,112
10.665	Sierra Watershed Education Partnerships	6,378
10.665	Nevada County Superintendent of Schools	19,912
10.665	Graniteville Volunteer Fire Company	5,600
93.558	Sierra Nevada Children's Services	675,847
93.556	Child Advocates of Nevada County	12,347
93.569	Different Nonprofit Organizations	58,639
93.674	Nevada County Superintendent of Schools	67,490
	Total	$ 1,005,206

5. PROGRAM CLUSTERS

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

Federal CFDA	Program Title	Federal Expenditures
Food Stamp Cluster		
10.551	Food Stamps	$ 4,257,464
10.561	State Administrative Matching Grants for Food Stamp Program	532,409
	Total	$ 4,789,873
Child Nutrition Cluster		
10.553	School Breakfast Program	$ 10,008
10.555	National School Lunch Program	15,306
	Total	$ 25,314

6. PASS -THROUGH ENTITIES' IDENTIFYING NUMBER

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

COUNTY OF NEVADA, CALIFORNIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008

7. DEPARTMENT OF AGING FEDERAL/STATE SHARE

Beginning with the fiscal year ended June 30, 2008, the California Department of Aging (CDA) requires agencies who receive CDA funding to display state-funded expenditures discretely along with federal expenditures. The County expended the following state and federal amounts under these grants:

CFDA	Federal Expenditures	State Expenditures
93.044	$ 54,194	$ -

8. CALIFORNIA OFFICE OF EMERGENCY SERVICES PROGRAMS

The following represents expenditures for Office of Emergency Services (OES) programs for the year ended June 30, 2008. The amount reported in the Schedule of Expenditures of Federal Awards is determined by calculating the federal portion of the current year expenditures.

	Expenditures Claimed			Share of Expenditures Current Year		
Program	For the Period Through June 30, 2007	For the Year Through June 30, 2008	Cumulative As of June 30, 2008	Federal Share	State Share	County Share
EA06067290 - Elder Abuse Advocacy & Outreach (VOCA)						
Personal services	$ 45,703	$ 14,391	$ 60,094	$ 14,391	$ -	$ -
Operating expenses	37,155	15,637	52,792	10,647	-	4,990
Equipment	-	-	-	-	-	-
Totals	$ 82,858	$ 30,028	$ 112,886	$ 25,038	$ -	$ 4,990
EA06070290 - Elder Abuse Advocacy & Outreach (VOCA)						
Personal services	$ -	$ 45,401	$ 45,401	$ 45,401	$ -	$ -
Operating expenses	-	33,093	33,093	15,379	-	17,714
Equipment	-	-	-	-	-	-
Totals	$ -	$ 78,494	$ 78,494	$ 60,780	$ -	$ 17,714
VW06200290 - Victim Witness Assistance						
Personal services	$ -	$ 120,405	$ 120,405	$ 52,031	$ 68,374	$ -
Operating expenses	-	-	-	-	-	-
Equipment	-	-	-	-	-	-
Totals	$ -	$ 120,405	$ 120,405	$ 52,031	$ 68,374	$ -
VB06040290 - Statutory Rape Vertical Prosecution						
Personal services	$ -	$ 75,977	$ 75,977	$ -	$ 75,977	$ -
Operating expenses	-	25,831	25,831	-	25,831	-
Equipment	-	-	-	-	-	-
Totals	$ -	$ 101,808	$ 101,808	$ -	$ 101,808	$ -
VV06020290 - Violence Against Women						
Personal services	$ -	$ 113,578	$ 113,578	$ 83,578	$ -	$ 30,000
Operating expenses	-	6,422	6,422	6,422	-	-
Equipment	-	-	-	-	-	-
Totals	$ -	$ 120,000	$ 120,000	$ 90,000	$ -	$ 30,000
DC06170290 - Anti-Drug Enforcement						
Personal services	$ -	$ 126,970	$ 126,970	$ 126,970	$ -	$ -
Operating expenses	-	-	-	-	-	-
Equipment	-	-	-	-	-	-
Totals	$ -	$ 126,970	$ 126,970	$ 126,970	$ -	$ -

COUNTY OF NEVADA, CALIFORNIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008

9. CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITATION PROGRAMS

The following represents expenditures for the California Department of Corrections and Rehabilitation programs for the year ended June 30, 2008. The amount reported in the Schedule of Expenditures of Federal Awards is determined by calculating the federal portion of the current year expenditures.

	Expenditures Claimed			Share of Expenditures Current Year		
Program	For the Period Through June 30, 2007	For the Year Through June 30, 2008	Cumulative As of June 30, 2008	Federal Share	State Share	County Share
CSA 729-07 - Juvenile Probation and Camps Funding						
Salaries and Benefits	$ -	$ 127,713	$ 127,713	-	$ 127,713	$ -
Services and Supplies	-	5,058	5,058	-	5,058	-
Professional Services	-	2,134	2,134	-	2,134	-
CBO Contracts	-	43,426	43,426	-	43,426	-
Equipment - Fixed Assets	-	31,474	31,474	-	31,474	-
Totals	$ -	$ 209,805	$ 209,805	$ -	$ 209,805	$ -

10. LOANS OUTSTANDING

The programs listed below had the following aggregate, federally funded loans outstanding at June 30, 2008:

Federal CFDA	Program Title	Amount Outstanding
14.228	Community Development Block Grant/State's Program and None Entitlement Grants in Hawaii	$ 1,688,552
14.239	HOME Investment Partnerships Program	2,066,936
14.250	Rural Housing and Economic Development	160,818
Total Loans Outstanding		$ 3,916,306

COUNTY OF NEVADA, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2008

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?	No
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 that are required to be reported in accordance with OMB Circular A-133 Section 510(a)?	Yes
4. Identification of major programs:	
10.551 Food Stamps	
10.561 State Administrative Matching Grants for Food Stamp Program	
10.665 Schools and Roads - Grants to States	
14.239 HOME Investment Partnerships Program	
90.401 Help America Vote Act Requirements Payments	
93.563 Child Support Enforcement	
93.659 Adoption Assistance	
5. Dollar threshold used to distinguish between Type A and Type B programs?	$717,367
6. Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 530?	Yes

II. FINANCIAL STATEMENT FINDINGS

Financial Reporting: Material Weakness	08-FS-01

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

CFDA 93.659	08-SA-01

COUNTY OF NEVADA, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30 2008

08-FS-01 CAPITAL ASSETS (Financial Reporting: Material Weakness)

Condition

During our audit we noted the County had recorded adjustments to capital assets to correct prior year activity.

Cause

In the process of recording capital assets in the fixed asset system in the current year, the County discovered the manual spreadsheets used in prior years to calculate depreciation on structures and improvements contained errors and an adjustment to accumulated depreciation was needed. The County removed infrastructure assets with a cost less than $25,000 and the related accumulated depreciation to comply with the County capitalization policy. The County also determined that infrastructure assets purchased in 1987 for the Sanitation District had not previously been capitalized. The County noted that some of these assets had recently been removed with the upgrades to the Lake of the Pines and Lake Wildwood treatment plants. The County recorded a net adjustment of ($1,460,359) to the governmental activities and $1,989,641, to the business-type activities for the assets acquired less those disposed and the related accumulated depreciation.

Criteria

Good internal control over capital assets requires that an accurate, current detail listing of all capital assets be maintained, that current year depreciation and accumulated depreciation be accurately calculated and recorded and that all assets meeting the capitalization policy be capitalized and depreciated.

Effect of Condition

Capital assets and related accumulated depreciation in prior years were materially misstated and required adjustment.

Recommendation

We recommend that the County thoroughly review the depreciation schedules at least annually to ensure that all items are properly included and that depreciation is calculated correctly.

Corrective Action Plan

Land, structures and improvements are being accounted for in the fixed asset module of the accounting system which will provide a detailed listing of the assets and depreciation schedules. These reports will be reviewed annually for completeness and accuracy. Capital expenditures and depreciation schedules are reviewed on an ongoing basis and adjusted for additions and deletions.

COUNTY OF NEVADA, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30 2008

08-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:	**2007/2008**

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 twenty-one of twenty-five cases tested, the AAP-4s were completed and signed by the "Authorized Official of Public Adoption Agency", but the AAP-4's were 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 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 Cost

No costs are questioned. All twenty-one cases were eligible for federal Adoption Assistance. The program 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

All open cases are being reviewed to ensure that the AAP-4's are signed by the appropriate eligibility staff to bring the situation current. Additionally, the cases will be reviewed for the applicable AAP-2's. Going forward, staff has been instructed of the requirement of an authorized signature. Reports will be run on a monthly basis and each open case will be verified that the appropriate authorizations are contained within the case file. The report will be reviewed by the Program Manager/Supervisor monthly.

COUNTY OF NEVADA, CALIFORNIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30 2008

Audit Reference	Status of Prior Year Audit Findings	
07-01	**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:	**2006/2007**

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.

Status

Not Implemented

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SUPPLEMENTAL STATEMENTS OF REVENUE AND EXPENDITURE

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COUNTY OF NEVADA, CALIFORNIA
SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURE
CSD CONTRACT NO. 07C-1673 (DOE-WX)
FOR THE PERIOD APRIL 1, 2007 THROUGH JANUARY 31, 2008

	April 1, 2007 through June 30, 2007	July 1, 2007 through January 31, 2008	Totals
Revenue			
Grant revenue	$ -	$ 26,283	$ 26,283
Total Revenue	$ -	$ 26,283	$ 26,283
Expenditures			
Administrative costs	$ -	$ 1,275	$ 1,275
Program Costs:			
Client education	-	600	600
Direct program activities	-	14,466	14,466
Health and safety	-	6,242	6,242
Intake	-	1,600	1,600
Outreach	-	1,600	1,600
Workers compensation	-	500	500
Workers comp	-	-	-
Client education	-	-	-
Total Program Costs	-	25,008	25,008
Total Expenditures	$ -	$ 26,283	$ 26,283

COUNTY OF NEVADA, CALIFORNIA

SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURE
CSD CONTRACT NO. 06B-5376 (WX) (LIHEAP)
FOR THE PERIOD JANUARY 1, 2006 THROUGH DECEMBER 31, 2008

	January 1, 2006 through June 30, 2007	July 1, 2007 through June 30, 2008	Totals
Revenue			
Grant revenue	$ 233,204	$ 201	$ 233,405
Total Revenue	$ 233,204	$ 201	$ 233,405
Expenditures			
Administrative costs	$ 18,623	$ 17	$ 18,640
Other Program Costs:			
Training	-	4	4
Total Other Program Costs	-	4	4
Program Costs:			
Intake	4,656	4	4,660
Direct program activities	193,229	166	193,395
Outreach	16,296	10	16,306
Total Program Costs	214,181	180	214,361
Total Expenditures	$ 232,804	$ 201	$ 233,001

COUNTY OF NEVADA, CALIFORNIA

SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURE
CSD CONTRACT NO. 06B-5376 (ECIP/HEAP)
FOR THE PERIOD JANUARY 1, 2006 THROUGH DECEMBER 31, 2008

	January 1, 2006 through June 30, 2007	July 1, 2007 through June 30, 2008	Totals
Revenue			
Grant revenue	$ 219,157	$ 43,172	$ 262,329
Total Revenue	$ 219,157	$ 43,172	$ 262,329
Expenditures			
Administrative costs	$ 14,239	$ 790	$ 15,029
Assurance 16:			
Assurance 16 program costs	32,216	7,661	39,877
Intake:			
Intake costs	8,535	1,585	10,120
ECIP:			
Outreach	11,647	2,829	14,476
Wood/propane/oil payments	62,046	6,141	68,187
Heating service repair/replacement	-	455	455
Heating and cooling	15,813	-	15,813
Total ECIP	89,506	9,425	98,931
HEAP:			
Outreach	11,091	456	11,547
Wood/propane/oil payments	63,570	23,255	86,825
Total HEAP	74,661	23,711	98,372
Total Expenditures	$ 219,157	$ 43,172	$ 262,329

COUNTY OF NEVADA, CALIFORNIA

SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURE

CSD CONTRACT NO. 07B-5426 (WX) (LIHEAP)

FOR THE PERIOD JANUARY 1, 2007 THROUGH JUNE 30, 2008

	January 1, 2007 through June 30, 2007	July 1, 2007 through June 30, 2008	Totals
Revenue			
Grant revenue	$ 43,201	$ 96,566	$ 139,767
Total Revenue	$ 43,201	$ 96,566	$ 139,767
Expenditures			
Administrative costs	$ 3,457	$ 7,726	$ 11,183
Other Program Costs:			
Training and technical assistance	864	1,930	2,794
Total Other Program Costs	864	1,930	2,794
Program Costs:			
Intake (eligibility determination)	864	1,930	2,794
Direct program activites	35,856	80,151	116,007
Outreach	2,160	4,829	6,989
Total Program Operations	38,880	86,910	122,996
Total Expenditures	$ 43,201	$ 96,566	$ 136,973

COUNTY OF NEVADA, CALIFORNIA

SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURE
CSD CONTRACT NO. 07B-5426 (ECIP/HEAP)
FOR THE PERIOD JANUARY 1, 2007 THROUGH JUNE 30, 2008

	January 1, 2007 through June 30, 2007	July 1, 2007 through June 30, 2008	Totals
Revenue			
Grant revenue	$ 18,871	$ 143,386	$ 162,257
Total Revenue	$ 18,871	$ 143,386	$ 162,257
Expenditures			
Administrative Costs Assurance 16 ECIP and HEAP:			
Administrative costs	$ 2,795	$ 12,635	$ 15,430
Assurance 16:			
Assurance 16 program costs	4,625	20,910	25,535
Intake Program Costs:			
Intake	1,199	6,124	7,323
ECIP Program Costs:			
ECIP HCS Heating Service Repair/Replacement	-	13,101	13,101
Outreach	1,927	10,200	12,127
Wood/propane/oil payments	5,078	37,664	42,742
Total ECIP	7,005	60,965	67,970
HEAP Outreach WPO Costs:			
Outreach	1,070	5,110	6,180
Wood/propane/oil payments	2,177	37,642	39,819
Total HEAP	3,247	42,752	45,999
Total Expenditures	$ 18,871	$ 143,386	$ 162,257

COUNTY OF NEVADA, CALIFORNIA
SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURE
CSD CONTRACT NO. 08B-5476 (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
Revenue			
Grant revenue	$ 71,503	$ -	$ 71,503
Total Revenue	$ 71,503	$ -	$ 71,503
Expenditures			
Administrative costs	$ 5,720	$ -	$ 5,720
Program Costs:			
Intake	1,430	-	1,430
Outreach	3,575	-	3,575
Training and technical assistance	1,430	-	1,430
Direct program activities	59,348	-	59,348
Total Program Costs	65,783	-	65,783
Total Expenditures	$ 71,503	$ -	$ 71,503

COUNTY OF NEVADA, CALIFORNIA

SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURE
CSD CONTRACT NO. 08B-5476 (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
Revenue			
Grant revenue	$ 25,830	$ -	$ 25,830
Total Revenue	$ 25,830	$ -	$ 25,830
Expenditures			
Administrative costs	$ 3,850	$ -	$ 3,850
Assurance 16:			
Assurance 16 program costs	6,407	-	6,407
Intake:			
Intake costs	1,654	-	1,654
Outreach:			
Outreach	4,135	-	4,135
ECIP/HEAP:			
ECIP Wood, propane, and oil payments	6,485	-	6,485
HEAP Wood, propane, and oil payments	3,299	-	3,299
Total ECIP/HEAP	9,784	-	9,784
Total Expenditures	$ 25,830	$ -	$ 25,830

COUNTY OF NEVADA, CALIFORNIA
SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURE
CSD CONTRACT NO. 06F-4731 (CSBG)
FOR THE PERIOD JANUARY 1, 2008 THROUGH DECEMBER 31, 2009

	January 1, 2008 through June 30, 2008	July 1, 2008 through December 31, 2009	Totals
Revenue			
Grant revenue	$ 173,685	$ -	$ 173,685
Total Revenue	$ 173,685	$ -	$ 173,685
Expenditures			
Administrative Costs:			
Salaries and wages	$ 62,225	$ -	$ 62,225
Fringe benefits	30,648	-	30,648
Total Administrative Costs	92,873	-	92,873
Program Costs:			
Salaries and wages	15,060	-	15,060
Fringe benefits	7,764		7,764
Subcontractor services	27,606	-	27,606
Total Program Costs	50,430	-	50,430
Total Expenditures	$ 143,303	$ -	$ 143,303

COUNTY OF NEVADA, CALIFORNIA

SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURE
CSD CONTRACT NO. 07F-4835 (CSBG)
FOR THE PERIOD JANUARY 1, 2007 THROUGH JUNE 30, 2008

	January 1, 2007 through June 30, 2007	July 1, 2007 through June 30, 2008	Totals
Revenue			
Grant revenue	$ 11,017	$ 38,983	$ 50,000
Total Revenue	$ 11,017	$ 38,983	$ 50,000
Expenditures			
Administrative Costs:			
Salaries and wages	$ 770	$ 2,669	$ 3,439
Fringe benefits	247	854	1,101
Total Administrative Costs	1,017	3,523	4,540
Program Costs:			
Operating expenses and equipment	-	791	791
Subcontractor - non profits	10,000	34,669	44,669
Total Program Costs	10,000	35,460	45,460
Total Expenditures	$ 11,017	$ 38,983	$ 50,000

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