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# COUNTY OF STANISLAUS

## SINGLE AUDIT REPORT

## JUNE 30, 2008

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**COUNTY OF STANISLAUS**
**SINGLE AUDIT REPORT**
**FOR THE YEAR ENDED JUNE 30, 2008**

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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*

The Honorable Grand Jury and Board of Supervisors
Stanislaus County
Modesto, 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 Stanislaus, California (the 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 December 10, 2008. 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.

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.

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



REGISTERED with the Public Company Accounting Oversight Board and MEMBER of the American Institute of Certified Public Accountants

Compliance and Other Matters

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

We noted certain matters that we reported to management of the County of Stanislaus, California in a separate letter dated December 10, 2008.

This report is intended solely for the information and use of the audit committee, management, Board of Supervisors, 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.

BROWN ARMSTRONG PAULDEN
McCOWN STARBUCK THORNBURGH & KEETER
ACCOUNTANCY CORPORATION

Bakersfield, California
December 10, 2008

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CERTIFIED PUBLIC ACCOUNTANTS

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## REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Honorable Grand Jury and Board of Supervisors
Stanislaus County
Modesto, California

Compliance

We have audited the compliance of the County of Stanislaus, California (the County) 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 of the County's compliance with those requirements.

In our opinion, the County of Stanislaus 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.



REGISTERED with the Public Company Accounting Oversight Board and MEMBER of the American Institute of Certified Public Accountants

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 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.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Stanislaus, California, as of and for the year ended June 30, 2008, and have issued our report thereon dated December 10, 2008. 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 the audit committee, management, Board of Supervisors, 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.

BROWN ARMSTRONG PAULDEN
McCOWN STARBUCK THORNBURGH & KEETER
ACCOUNTANCY CORPORATION

Bakersfield, California
December 10, 2008

# SCHEDULE

**COUNTY OF STANISLAUS**
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**
**FOR THE YEAR ENDED JUNE 30, 2008**

| Federal grantor/pass-through grantor/program title | Catalog of federal domestic assistance number | | Supplemental identifying number | Expenditures |
|---|---|---|---|---|
| U.S. OFFICE OF NATIONAL DRUG CONTROL POLICY | | | | |
| Direct Program - | | | | |
| High Intensity Drug Traffic Area (HIDTA) 2004 | 07.xxx | * | 14PVCP501 | $ 1,843 |
| High Intensity Drug Traffic Area (HIDTA) 2005 | 07.xxx | * | 15PVCP501 | 1,011,322 |
| High Intensity Drug Traffic Area (HIDTA) CPOT 2005 | 07.xxx | * | I5PMIP5981 | 15,168 |
| High Intensity Drug Traffic Area (HIDTA) 2006 | 07.xxx | * | 16PVCP501 | 1,814,659 |
| High Intensity Drug Traffic Area (HIDTA) 2007 | 07.xxx | * | 17PVCP501 | 1,852,750 |
| TOTAL DRUG-FREE COMMUNITIES SUPPORT PROGRAM GRANT | | | | 4,695,742 |
| U.S. DEPARTMENT OF AGRICULTURE | | | | |
| Direct Program - | | | | |
| Food Stamps-Issuance | 10.551 | * | N/A | 60,125,259 |
| Food Stamp - Administration | 10.561 | * | N/A | 4,332,584 |
| National School Lunch Program | 10.555 | | N/A | 208,111 |
| Seniors Farmers Market Program | 10.576 | | 30-06-07 | 10,000 |
| Passed through California Department of Food and Agriculture: | | | | |
| Inspection, Grading, & Standardization | 10.162 | | 07-0092 | 6,497 |
| Passed through California Department of Education | | | | |
| Summer Food Service Program (SFSP) | 10.559 | | 2049-00 | 1,221 |
| Passed through California Department of Aging: | | | | |
| SAWS CIV Food Stamps | 10.561 | * | N/A | 1,115,407 |
| Passed through California Department of Health Services: | | | | |
| Special Support Food Program for WIC | 10.557 | * | 05-45805 | 2,490,134 |
| CNN | 10.557 | | 06-55118 | 161,422 |
| Nutrition Education (PHCA) | 10.561 | * | 3-75378 | 91,000 |
| TOTAL U.S. DEPARTMENT OF AGRICULTURE | | | | 68,541,635 |
| U.S. DEPARTMENT OF HUD | | | | |
| Passed through California Department of Housing & Comm Development: | | | | |
| HUD - Entitlement Funds 03/04 | 14.218 | | B-03-UC-06-0010 | 256,803 |
| HUD-CDBG Funds 04/05 | 14.228 | | B-04-UC-06-0010 | 242,488 |
| HUD-CDBG Funds 05/06 | 14.228 | | B-05-UC-06-0010 | 361,260 |
| HUD-CDBG Funds 06/07 | 14.228 | | B-06-UC-06-0010 | 857,237 |
| HUD-CDBG Funds 07/08 | 14.228 | | B-06-UC-06-0010 | 1,198,338 |
| HUD-ESG Funds 06/07 | 14.231 | | B-05-UC-06-0010 | 11,802 |
| HUD-ESG Funds 07/08 | 14.231 | | B-06-UC-06-0010 | 84,524 |
| TOTAL U.S. DEPT. OF HUD | | | | 3,012,452 |

* Major Program

See accompanying notes to schedule of expenditures of federal awards and report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133.

## COUNTY OF STANISLAUS
## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
## FOR THE YEAR ENDED JUNE 30, 2008

| Federal grantor/pass-through grantor/program title | Catalog of federal domestic assistance number | Supplemental identifying number | Expenditures |
|---|---|---|---|
| U.S. DEPARTMENT OF LABOR | | | |
| Passed through California Dept of Aging: | | | |
| Senior Community Service Employment Program | 17.235 | 30-06-08 | 104,674 |
| Passed through California Development Department: | | | |
| WIA 15% Central Partnership for San Joaquin Valley | 17.258 | R692512-688 | 397,189 |
| WIA-Adult Program | 17.258 | R865496-201 | 446,135 |
| WIA-Adult Program | 17.258 | R865496-202 | 872,800 |
| WIA-Adult Program | 17.258 | R760360-202 | 1,011,041 |
| WIA-Incentive | 17.258 | R692512-113 | 10,697 |
| WIA-Incentive | 17.258 | R760360-113 | 20,855 |
| WIA 15% Central Partnership for San Joaquin Valley | 17.258 | R865496-688 | 289,430 |
| WIA-Youth Activities | 17.259 | R865496-301 | 690,051 |
| WIA-Youth Activities | 17.259 | R865496-302 | 1,104,048 |
| WIA-Youth Activities | 17.259 | R760360-301 | 521,438 |
| WIA-Youth Activities | 17.259 | R760360-302 | 188,791 |
| WIA-Dislocated Workers | 17.260 | R760360-501 | 14,000 |
| WIA-Dislocated Workers | 17.260 | R760360-502 | 277,088 |
| WIA-Dislocated Workers | 17.260 | R760360-519 | 168,690 |
| WIA-Dislocated Workers | 17.260 | R865496-501 | 456,307 |
| WIA-Dislocated Workers | 17.260 | R865496-502 | 1,076,109 |
| WIA-Dislocated Workers | 17.260 | R865496-200 | 292,309 |
| WIA-Rapid Response | 17.260 | R865496-540 | 89,944 |
| WIA-Rapid Response | 17.260 | R865496-541 | 269,833 |
| WIA Mortgage and Banks Layoff | 17.260 | R865496-762 | 7,392 |
| TOTAL U.S. DEPARTMENT OF LABOR | | | 8,308,821 |
| U.S. DEPARTMENT OF TRANSPORTATION | | | |
| Passed through California Department of Transportation | | | |
| Highway Planning and Construction | 20.205 * | various | 3,549,503 |
| Rural Transit & Procurement FTA Section 5311 | 20.509 | N/A | 300,812 |
| Passed through State Office of Emergency Services (OES) | | | |
| Hazardous Materials Emergency Preparedness Grant | 20.703 | 3033-110g | 13,407 |
| TOTAL U.S. DEPARTMENT OF TRANSPORTATION | | | 3,863,722 |
| U.S. ENVIRONMENTAL PROTECTION AGENCY | | | |
| Passed through California Water Resources Control Board: | | | |
| Local Groundwater Protection Pilot | 66.606 | EP059000206 | 6,781 |
| TOTAL U.S. DEPARTMENT OF ENVIRONMENTAL PROTECTION | | | 6,781 |

* Major Program

See accompanying notes to schedule of expenditures of federal awards and report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133.

## COUNTY OF STANISLAUS
## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
## FOR THE YEAR ENDED JUNE 30, 2008

| Federal grantor/pass-through grantor/program title | Catalog of federal domestic assistance number | Supplemental identifying number | Expenditures |
|---|---|---|---|
| U.S. DEPARTMENT OF HOMELAND SECURITY | | | |
| Passed through California Department of Homeland Security: | | | |
| FY05, Homeland Security Grant | 97.067 | N/A | 40,273 |
| FY06, Homeland Security Grant | 97.067 | N/A | 1,026,274 |
| FY07, Homeland Security Grant | 97.067 | N/A | 153,428 |
| FY07, EMPG | 97.042 | N/A | 88,245 |
| TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY | | | 1,308,220 |
| U.S. DEPARTMENT OF JUSTICE | | | |
| Bureau of Justice Assistance (JAG 2006) (subrecipient) | 16.738 | N/A | 43,594 |
| Passed through Office of Criminal Justice Planning | | | |
| Juvenile Accountability Grant 2007 | 16.523 | N/A | 28,248 |
| Juvenile Accountability Grant 2006 | 16.523 | N/A | 40,960 |
| Juvenile Accountability Grant 2005 | 16.523 | N/A | 25,531 |
| Juvenile Accountability Grant 2004 | 16.523 | N/A | 35,934 |
| Juvenile Accountability Grant 2003 | 16.523 | N/A | 12,006 |
| Victim Witness Program | 16.575 | AT06 03 0500 | 150,000 |
| Weed & Seed Program | 16.595 | 2007-WS-Q6-0010 | 27,124 |
| Passed through California Department of Social Services: | | | |
| Stop Abusive & Violent Environments (SAVE) Grant | 16.588 | N/A | 42,189 |
| Passed through State Office of Emergency Services (OES) | | | |
| Elder Abuse Prosecution | 16.575 | EA07100500 | 79,086 |
| Victims of Crime ACT-CHAT | 16.575 | VW07260500 | 152,089 |
| TOTAL U.S. DEPARTMENT OF JUSTICE | | | 636,761 |

* Major Program

See accompanying notes to schedule of expenditures of federal awards and report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133.

## COUNTY OF STANISLAUS
## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
## FOR THE YEAR ENDED JUNE 30, 2008

| Federal grantor/pass-through grantor/program title | Catalog of federal domestic assistance number | | Supplemental identifying number | Expenditures |
|---|---|---|---|---|
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | | |
| Passed through California Department of Education: | | | | |
| Stage 2 Child Care (D) | 93.575 | | C2AP-7072 | 1,478,019 |
| Stage 3 Child Care (D) | 93.575 | | C3AP-7072 | 1,289,382 |
| Stage 3 Child Care (D) | 93.596 | | CAPP-7081 | 61,998 |
| Passed through California Department of Social Services: | | | | |
| Temporary Assistance for Needy Families: | 93.558 | * | N/A | 63,881,916 |
| Promoting Safe and Stable Families | 93.556 | | N/A | 679,068 |
| Child Support Enforcement | 93.563 | | 2708/2907/2711 | 11,819,039 |
| Refugee and Entrant Assistance: | 93.566 | | N/A | 512,382 |
| Child Welfare Services/CWS Direct Cost IVB | 93.645 | | N/A | 287,328 |
| Foster Care - Title IVE | 93.658 | | N/A | 6,693,787 |
| Adoptions Assistance | 93.659 | * | N/A | 5,040,089 |
| CWS Title XX | 93.667 | | N/A | 572,612 |
| Independent Living - ILP | 93.674 | | N/A | 172,655 |
| Out-of-Home Placement Prevention - Title IVe | 93.658 | | N/A | 1,961,179 |
| Passed through California Department of Health Services: | | | | |
| TB Prevention | 93.116 | | N/A | 50,984 |
| Family Planning Services Title X | 93.217 | | N/A | 192,924 |
| Immunization Project Subvention | 93.268 | | 02-26012 | 210,143 |
| Childhood Lead Poisoning | 93.917 | | 02-25082 | 71,009 |
| California Children's Services | 93.778 | | N/A | 1,204,982 |
| Maternal & Child Health Services | 93.994 | | 200350.00 | 398,396 |
| Emergency Preparedness | 93.283 | | EPO 0650 | 819,203 |
| Medi-Cal Administration Activities | 93.778 | | 03-75094 | 801,688 |
| Targeted Case Management | 93.778 | | 50-0712 | 3,887,617 |
| Child Health & Disability Program | 93.778 | | N/A | 708,114 |
| Information & Education - Teen Pregnancy Prevention | 93.xxx | | 03-75843 | 36,643 |
| Passed through California Department of Aging: | | | | |
| Title VII(B), Elder Abuse Prevention | 93.041 | | 30-06-08 | 6,540 |
| Title VII(A), Ombudsman Program | 93.042 | | 30-06-08 | 18,435 |
| Title III-f, Preventive Health | 93.043 | | 30-06-08 | 27,366 |
| Title III-B, Supportive Services | 93.044 | | 30-06-08 | 369,300 |
| Title III-C1, Congregate Nutrition | 93.045 | | 30-06-08 | 233,753 |
| Title III-C2 Home Delivered Nutrition | 93.045 | | 30-06-08 | 402,971 |
| CBSP Health Insurance Advocacy Program | 93.779 | | 30-06-08 | 53,656 |
| Title III-E, Family Caregiver | 93.052 | | 30-06-08 | 171,272 |
| Food Distribution | 93.053 | | 30-06-08 | 99,795 |
| SAWS CIV TANF | 93.558 | * | N/A | 954,138 |
| SAWS CIV KINGAP | 93.658 | | N/A | 5,231 |
| SAWS CIV Midi-Cal | 93.778 | | N/A | 1,520,163 |
| SAWS CIV Refugee | 93.566 | | N/A | 592 |
| Multi-Purpose Senior Services (MSSP) Title XIX | 93.778 | | MS-0708-14 | 423,971 |
| Passed through Department of Mental Health | | | | |
| AB3015 SAMHSA/DualDiag SAMHSA | 93.958 | | N/A | 2,717,084 |
| Transition from Homelessness(PATH) | 93.150 | | N/A | 139,112 |

* Major Program

See accompanying notes to schedule of expenditures of federal awards and report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133.

## COUNTY OF STANISLAUS
## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
## FOR THE YEAR ENDED JUNE 30, 2008

| Federal grantor/pass-through grantor/program title | Catalog of federal domestic assistance number | | Supplemental identifying number | Expenditures |
|---|---|---|---|---|
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | | |
| Passed through State of California Dept of Alcohol & Drug Program: | | | | |
| AIDS/HIV Testing | 93.940 | | 07-65089 | 81,984 |
| Refugee Health | 93.576 | | 07-5090840-1 | 156,855 |
| SAMHSA-CSAP State Incentive Grant | 93.243 | | N/A | 76,720 |
| SAPT Block-Discr/Club/Fri Night/Perinatal/SACPA SAPT/HIV Services | 93.959 | * | 84.186 | 3,337,067 |
| Passed through Department of Health and Human Services: | | | | |
| APS/CSBG Title XIX | 93.778 | | N/A | 677,024 |
| CWS Title XIX | 93.778 | | N/A | 937,428 |
| State Family Preservation Title XIX | 93.778 | | N/A | 44,877 |
| In Home Supportive Services-PCSP Title XIX | 93.778 | | N/A | 2,600,388 |
| Public Authority Administration | 93.778 | | N/A | 599,664 |
| Public Authority Benefits Administration | 93.778 | | N/A | 1,390,979 |
| IHSS Waiver Title XIX | 93.778 | | N/A | 622,747 |
| IHSS IP Title XIX | 93.778 | | N/A | 22,660,483 |
| Medi-Cal Title XIX (E) | 93.778 | | N/A | 10,079,064 |
| TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | | 153,239,816 |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | | $ 243,613,950 |

* Major Program

See accompanying notes to schedule of expenditures of federal awards and report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133.

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

### NOTE 1 – REPORTING ENTITY

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the County of Stanislaus (the County). The County's reporting entity is defined in Note 1 to the County's basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the schedule.

### NOTE 2 – BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is sometimes prepared on a basis other than that used to record transactions in the accounting records and as reported in the basic financial statements (such as cash basis). The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

### NOTE 3 – RELATIONSHIP TO FINANCIAL STATEMENTS

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree, in all material respects, to amounts reported within the County's financial statements. Federal award revenues are reported principally in the County's financial statements as intergovernmental revenues in the General and Special Revenue funds.

### NOTE 4 – SUBRECIPIENTS

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

| CFDA | Program | Amount |
|---|---|---|
| 14.228 | City of Ceres | $ 314,089 |
| 14.228 | City of Newman | 286,148 |
| 14.228 | City of Oakdale | 265,663 |
| 14.228 | City of Patterson | 266,901 |
| 14.228 | City of Waterford | 270,104 |
| 14.228 | Catholic Charities | 56,300 |
| 14.228 | Center for Human Services | 20,000 |
| 14.228 | Children's Crisis Center | 20,000 |
| 14.228 | Haven Women's Center | 9,090 |
| 14.228 | Red Cross of Stanislaus County | 12,350 |
| 14.228 | Parents Resource Center | 20,000 |
| 14.228 | Salida Union School District | 18,000 |
| 14.228 | Second Harvest | 20,000 |
| 14.228 | We Care Shelter Program | 20,000 |
| 14.228 | DRAIL | 20,000 |

**NOTE 4 – SUBRECIPIENTS** (Continued)

| CFDA | Program | Amount |
|---|---|---|
| 14.228 | The ARC of Stanislaus County | $ 10,000 |
| 14.228 | Healthy Aging Association | 20,000 |
| 14.228 | Westside Food Pantry | 9,601 |
| 14.228 | Project Sentinel | 40,000 |
| 14.231 | Computer Tutor | 20,000 |
| 14.231 | Childrens' Crisis Center | 10,000 |
| 14.231 | Community Housing Shelter | 15,139 |
| 14.231 | Interfaith Ministries | 51,866 |
| 14.231 | Salvation Army | 27,210 |
| 17.258 | Friends Outside | 281,465 |
| 17.260 | Friends Outside | 15,737 |
| 17.259 | Ceres Unified School District | 598,036 |
| 17.259 | Computer Tutor | 454,556 |
| 20.509 | Stanislaus County - PW Transit | 300,812 |
| 93.045 | The Howard Training Center | 636,724 |
| 93.778 | Stanislaus County Area Agency on Agency | 38,654 |
| 93.778 | Stanislaus County Public Guardian | 50,697 |
| | Total | $ 4,299,501 |

**NOTE 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 | $ 60,125,259 |
| 10.561 | State Administrative Matching Grants for Food Stamp Program | 4,332,584 |
| 10.561 | Food Stamp Administration - SAWS CIV Food Stamps | 1,115,407 |
| 10.561 | Nutrition Education (PHCA) | 91,000 |
| 10.557 | Special Support Food Program for WIC | 2,490,134 |
| | Total | $ 68,154,384 |

**NOTE 5 – PROGRAM CLUSTERS** (Continued)

| Federal CFDA | Program Title | Federal Expenditures |
|---|---|---|
| Child Nutrition Cluster: | | |
| 10.559 | Summer Food Service Program (SFSP) | $ 1,221 |
| 10.555 | National School Lunch Program | 208,111 |
| | Total | $ 209,332 |
| WIA Cluster: | | |
| 17.258 | WIA - Adult | $ 3,048,147 |
| 17.259 | WIA - Youth | 2,504,328 |
| 17.260 | WIA - Dislocated Workers | 2,651,672 |
| | Total | $ 8,204,147 |
| Aging Cluster: | | |
| 93.041 | Special Programs for the Aging - Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect and Exploitation | $ 6,540 |
| 93.042 | Special Programs for the Aging - Title VII, Chapter 2 - Long-Term Care Ombudsman Services for Older Individuals | 18,435 |
| 93.043 | Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services | 27,366 |
| 93.044 | Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers | 369,300 |
| 93.045 | Special Programs for the Aging - Title III, Part C - Nutrition Services | 636,724 |
| 93.052 | Title III-E - Family Caregiver | 171,272 |
| 93.053 | Food Distribution-Nutrition Service | 99,795 |
| | Total | $ 1,329,432 |
| CCDF Cluster: | | |
| 93.575 | Child Care and Development Block Grant | $ 2,767,401 |
| 93.596 | Child Care Mandatory and Matching Funds of the Child Care and Development Fund | 61,998 |
| | Total | $ 2,829,399 |

## NOTE 6 – PASS-THROUGH ENTITIES' IDENTIFYING NUMBER

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

## NOTE 7 – DEPARTMENT OF AGING FEDERAL/STATE SHARE

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 | Contract No. | Federal Expenditures | State Expenditures |
|---|---|---|---|
| 10.576 | 30-06-08 | $ 10,000 | $ - |
| 17.235 | 30-06-08 | 104,674 | 43,412 |
| 93.041 | 30-06-08 | 6,540 | 291 |
| 93.042 | 30-06-08 | 18,435 | 3,298 |
| 93.043 | 30-06-08 | 27,366 | 1,180 |
| 93.044 | 30-06-08 | 369,300 | 55,987 |
| 93.045 | 30-06-08 | 636,724 | 58,694 |
| 93.052 | 30-06-08 | 171,272 | - |
| 93.053 | 30-06-08 | 99,795 | - |
| 93.778 | MS-060-14 | 423,971 | 407,345 |
| 93.779 | 30-06-08 | 53,656 | 164,480 |
| | TOTAL | $ 1,921,733 | $ 734,687 |

## NOTE 8 – OFFICE OF EMERGENCY SERVICES GRANTS

The following represents expenditures for Office of Emergency Services 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 Ended June 30, 2008 | Cumulative As of June 30, 2008 | Federal Share | State Share | County Share |
| MH06060500 - CalMet | | | | | | |
| Personal services | $ - | $ 881,502 | $ 881,502 | $ - | $ 881,502 | $ - |
| Operating expenses | - | 237,451 | 237,451 | - | 237,451 | - |
| Equipment | - | 34,810 | 34,810 | - | - | 34,810 |
| Totals | $ - | $ 1,153,763 | $ 1,153,763 | $ - | $ 1,118,953 | $ 34,810 |

## NOTE 8 – OFFICE OF EMERGENCY SERVICES GRANTS (Continued)

| Program | Expenditures Claimed: For the Period Through June 30, 2007 | Expenditures Claimed: For the Year Ended June 30, 2008 | Expenditures Claimed: Cumulative As of June 30, 2008 | Share of Expenditures Current Year: Federal Share | Share of Expenditures Current Year: State Share | Share of Expenditures Current Year: County Share |
|---|---|---|---|---|---|---|
| DC04150500 - SDEA | | | | | | |
| Personal services | $ - | $ 233,455 | $ 233,455 | $ 65,804 | $ - | $ 167,651 |
| Operating expenses | - | - | - | - | - | - |
| Equipment | - | - | - | - | - | - |
| Totals | $ - | $ 233,455 | $ 233,455 | $ 65,804 | $ - | $ 167,651 |
| PU06050500 - Violence Against Women | | | | | | |
| Personal services | $ 56,252 | $ 56,252 | $ 112,504 | $ 42,189 | $ - | $ 14,063 |
| Operating expenses | - | - | - | - | - | - |
| Equipment | - | - | - | - | - | - |
| Totals | $ 56,252 | $ 56,252 | $ 112,504 | $ 42,189 | $ - | $ 14,063 |
| DC04150500 - Stanislaus Anti-Drug | | | | | | |
| Personal services | $ 109,900 | $ 76,826 | $ 186,726 | $ 27,474 | $ - | $ 49,352 |
| Operating expenses | - | - | - | - | - | - |
| Equipment | - | - | - | - | - | - |
| Totals | $ 109,900 | $ 76,826 | $ 186,726 | $ 27,474 | $ - | $ 49,352 |
| RU07090500 - Rural Crimes | | | | | | |
| Personal services | $ 266,260 | $ 225,766 | $ 492,026 | $ - | $ 225,766 | $ - |
| Operating expenses | 17,045 | 23,131 | 40,176 | - | 23,131 | - |
| Other Charges | - | - | - | - | - | - |
| Totals | $ 283,305 | $ 248,897 | $ 532,202 | $ - | $ 248,897 | $ - |
| VB07050500 - Vertical Prosecution Block | | | | | | |
| Personal services | $ 315,671 | $ 345,227 | $ 660,898 | $ - | $ 345,227 | $ - |
| Operating expenses | 14,284 | 6,285 | 20,569 | - | 4,986 | 1,299 |
| Equipment | - | - | - | - | - | - |
| Totals | $ 329,955 | $ 351,512 | $ 681,467 | $ - | $ 350,213 | $ 1,299 |
| VW07260500 - Victim Witness | | | | | | |
| Personal services | $ 344,457 | $ 343,769 | $ 688,226 | $ 152,089 | $ 172,330 | $ 19,350 |
| Operating expenses | 4,815 | 14,118 | 18,933 | - | 11,652 | 2,466 |
| Equipment | - | - | - | - | - | - |
| Totals | $ 349,272 | $ 357,887 | $ 707,159 | $ 152,089 | $ 183,982 | $ 21,816 |
| EA07100500 - Elder Abuse Prosecution | | | | | | |
| Personal services | $ 15,149 | $ 63,964 | $ 79,113 | $ 63,964 | $ - | $ - |
| Operating expenses | 46,627 | 15,122 | 61,749 | 15,122 | - | - |
| Equipment | - | - | - | - | - | - |
| Totals | $ 61,776 | $ 79,086 | $ 140,862 | $ 79,086 | $ - | $ - |

## NOTE 9 – DEPARTMENT OF CORRECTIONS AND REHABILITATION GRANTS

The following represents expenditures for the 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 Ended June 30, 2008 | Cumulative As of June 30, 2008 | Federal Share | State Share | County Share |
| CSA 965-06 - MIOCR | | | | | | |
| Personal services | $ 91,838 | $ 541,261 | $ 633,099 | $ - | $ 490,368 | $ 50,893 |
| Operating expenses | 1,967 | 135,595 | 137,562 | - | 11,706 | 123,889 |
| Equipment | 10,264 | 24,075 | 34,339 | - | - | 24,075 |
| Totals | $ 104,069 | $ 700,931 | $ 805,000 | $ - | $ 502,074 | $ 198,857 |

## NOTE 10 – DEPARTMENT OF JUSTICE GRANTS

The following represents expenditures for the Department of Justice programs for the Year ended June 30, 2008.

| | Expenditures Claimed | | | Share of Expenditures Current Year | | |
|---|---|---|---|---|---|---|
| Program | For the Period Through June 30, 2007 | For the Year Ended June 30, 2008 | Cumulative As of June 30, 2008 | Federal Share | State Share | County Share |
| 06SA13B035 SAPP | | | | | | |
| Personal services | $ 104,929 | $ 124,133 | $ 229,061 | $ - | $ 102,080 | $ 22,053 |
| Operating expenses | - | 2,288 | 2,288 | - | - | 2,288 |
| Equipment | - | - | - | - | - | - |
| Totals | $ 104,929 | $ 126,421 | $ 231,349 | $ - | $ 102,080 | $ 24,341 |

# FINDINGS AND QUESTIONED COSTS

**COUNTY OF STANISLAUS**
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**
**YEAR ENDED JUNE 30, 2008**

**Section 1**

| Financial Statements | Summary of Auditor's Results |
|---|---|
| 1. Type of auditor's report issued: | Unqualified |
| 2. Internal controls over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None Reported |
| 3. Noncompliance material to financial statements noted? | No |

Federal Awards

| | |
|---|---|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | No |
| 2. Type of auditor's report issued on compliance for major programs: | Unqualified |
| 3. Any audit findings disclosed that are required to be reported in accordance with Circular OMB A-133, Section 510(a)? | No |

4. Identification of major programs:

| CFDA Number | Program |
|---|---|
| 93.558 | Temporary Assistance for Needy Families |
| 93.659 | Adoption Assistance |
| 07.xxx | High Intensity Drug Traffic Area |
| 20.205 | Highway Planning and Construction Program |
| 93.959 | SAPT Block Grant |
| *Food Stamp Cluster:* | |
| 10.551 | Food Stamps |
| 10.561 | State Administrative Matching Grants for Food Stamp Program |
| 10.561 | Food Stamp Administration – SAWS CIV Food Stamps |
| 10.561 | Nutrition Education (PHCA) |
| 10.557 | Special Support Food Program for WIC |

| | |
|---|---|
| 5. Dollar threshold used to distinguish between Type A and Type B programs? | $3,000,000 |
| 6. Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 530? | No |

**Section 2**

Financial Statement Findings

None.

**Section 3**

Federal Award Findings and Questioned Costs

None.

**COUNTY OF STANISLAUS**
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**
**FOR THE YEAR ENDED JUNE 30, 2008**

| Program | Findings/Noncompliance |
|---|---|
| **Finding 07-1**<br>Adoption Assistance | *Compliance Requirement: Eligibility (Income Requirements)* |
| CFDA 93.659<br>Year: 06/07 | |

Criteria

Per County procedures, based on the Adoption Assistance Agreement and inquiry of the adoptive parent, a Federal Eligibility Certification for Adoption Assistance Program form (AAP-4) is completed by an adoptions social worker and signed by a Family Services Specialist indicating their review and approval of the form and the determined eligibility of the child.

Condition

Seven cases out of the forty cases tested for Adoption Assistance Eligibility lacked a signature by a Family Services Specialist on the AAP-4 Eligibility Form. Although all eligibility determinations were performed properly, a signature is required to document that the determinations were correct. The AAP-4 was preceded by the FC-9. The FC-9 did not require an eligibility workers signature, but the AAP-4 does require a signature. The time frame for the missing signatures is from 1988-2001, at which time the County became aware of the problem. Six cases were between the years from 1988-2001, and one case was from 2003. This finding was previously identified in 2005 and designated 05-3 and was described as implemented in 2006.

Questioned Costs

None.

Effect

The failure of the Family Services Specialist to provide a signature to indicate their review and approval of the determined eligibility could result in the eligibility of the child being determined incorrectly.

Cause

The previous form (FC9) did not require a signature and county policy requiring a signature was not implemented until 2001. While we did identify seven cases, only one case was identified after the signature policy was implemented. This appears to be an isolated case.

Recommendation

We recommend that staff be reminded of the importance of the review procedures and steps should be taken to ensure the completeness of all eligibility forms and that county policy is followed.

| Program | Findings/Noncompliance |
|---|---|

Corrective Action Plan

Stanislaus County agrees with the findings. All AAP cases are being reviewed, looking at the AAP 4 forms for signature, dates and making sure that the correct eligibility boxes are checked. Staff has been trained and will be reminded in unit meetings that these forms are to be complete and accurate.

Current Year Status

Implemented

**Finding 07-2**
Food Stamps

CFDA 10.551
Year: 06/07

*Compliance Requirement: Eligibility (Income Requirements)*

Criteria

Eligibility Determination and Benefit Calculations must compute benefits accurately for eligible recipients.

Condition

We tested eligibility in forty Food Stamp cases and identified the following two cases which resulted in improper benefit calculations:

*Case One:* Client's Excess Shelter Costs were inaccurately computed on the EDBC Summary Report. There were eleven active members in the household, with nine members being eligible for excess shelter costs since they did not receive SSI/SSP payments. However, excess shelter costs were calculated incorrectly by using ten active members in the household, and eight eligible members.

*Case Two:* Client's child was improperly excluded from the EDBC Summary. According to the Food Stamp Manual, a child cannot be excluded from the EDBC calculation for failing to report their sponsor's income to the County unless they are over the age of 18. However, the client's child was only 17 at the time and should not have been sanctioned.

Questioned Costs

We did not question costs because the amount questioned would be under the $10,000 threshold identified in OMB A133 §510(a)(3).

Effect

The clients in the identified cases received benefits that were not correctly calculated.

| Program | Findings/Noncompliance |
|---|---|

Recommendation

Ongoing reviews of Eligibility Determination and Benefit Calculations should be conducted with special focus on large or unusually complicated households. Benefits should be recalculated when errors are found and corrected in a timely fashion.

Corrective Action Plan

Stanislaus County agrees with these findings. Benefits in the first case cited will be recomputed to prorate shelter costs correctly. In the second case, Food Stamp budgets will be recalculated from March 2005 through August 2007 to correct Food Stamp allotments. Child's non-compliance records will be removed from C-IV.

Current Year Status

Implemented.

**Finding 07-3**
Food Stamps

CFDA 10.551
Year: 06/07

*Compliance Requirement: Eligibility*

Criteria

The county is required to verify client provided social security numbers as part of its eligibility determination procedures.

Condition

We tested eligibility in forty Food Stamp cases and noted one case in which the participant's case files in C-IV lacked verification of social security numbers for all household members who were determined to be eligible.

Questioned Costs

None.

Effect

County is not performing required procedures regarding verification of all eligible household members social security numbers.

Recommendation

All eligible household members should have their social security numbers verified and the case review process should ensure that this has been completed.

| Program | Findings/Noncompliance |
|---|---|

Corrective Action Plan

Stanislaus County agrees with this finding. County will verify social security numbers of all eligible household members for this case and reinforce the importance of verification with eligibility determination staff.

Current Year Status

Implemented.