COUNTY OF TUOLUMNE, CALIFORNIA

Single Audit Reports

For the Year Ended June 30, 2009

COUNTY OF TUOLUMNE, CALIFORNIA
FOR THE YEAR ENDED JUNE 30, 2009

Table of Contents

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

Federal Grantor / **Pass Through Grantor (if not direct)** / **Program Title**	**CFDA No.**	**Expenditures/ Expenses**	**Grant #/ Project ID**
U.S. DEPARTMENT OF AGRICULTURE			
Direct:			
Grazing Fees	10.unknown	$ 602	N/A
U.S. Forest Service Communications	10.unknown	2,996	N/A
Law Enforcement - New Melones	10.unknown	22,747	08 PG240104
Law Enforcement - Don Pedro	10.unknown	4,866	N/A
Law Enforcement - USFS	10.unknown	13,647	07-LE-11051360-011
Total Law Enforcement		41,260	
Subtotal U.S. Department of Agriculture direct programs		44,858	
Pass Through California Department of Social Services:			
Supplemental Nutrition Assistance Program (SNAP)	10.551	5,710,576	N/A
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	555,260	141-16-75
Total SNAP Cluster		6,265,836	
Pass Through California Department of Health Services:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	340,793	05-45812
Child & Adult Care Food Program (CACFP)	10.558	15,419	5017-1-N
Pass Through California Controller's Office:			
Schools and Roads Title I - Grants to States	10.665	2,026,150	US Forest Reserve FY2009
Subtotal U.S. Department of Agriculture pass through programs		8,648,198	
TOTAL U.S. DEPARTMENT OF AGRICULTURE		8,693,056	
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Pass Through California Department of Housing and Community Development:			
Community Development Block Grant/State's Program	14.228	35,000	06-STBG-2503
Community Development Block Grant/State's Program	14.228	404,763	06-STBG-2591
Total Community Development Block Grant/State's Program		439,763	
Home Investment Partnerships Program	14.239	614,964	07-HOME-3087
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		1,054,727	
U.S. DEPARTMENT OF INTERIOR			
Direct:			
Payment in Lieu of Taxes	15.226	1,342,851	N/A
TOTAL U.S. DEPARTMENT OF INTERIOR		1,342,851	

(Continued)

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

COUNTY OF TUOLUMNE, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2009

Federal Grantor Pass Through Grantor (if not direct) Program Title	CFDA No.	Expenditures/ Expenses	Grant #/ Project ID
U.S. DEPARTMENT OF JUSTICE			
Direct:			
DEA-marijuana eradication	16.unknown	$ 35,000	N/A
Justice Assistance Grant-Tuolumne Narcotics Team Buy Program	16.unknown	3,092	N/A
State Criminal Alien Assistance Program	16.606	11,660	N/A
Bulletproof Vest Partnership Program	16.607	9,900	N/A
Subtotal U.S. Department of Justice direct programs		59,652	
Pass Through California Emergency Management Agency:			
Crime Victim Assistance	16.575	45,491	VW08220550
Violence Against Women Formula Grants	16.588	89,916	VV08040550
Edward Byrne Memorial Justice Assistance Grant Program	16.738	127,582	DC08190550
Subtotal U.S. Department of Justice pass through programs		262,989	
TOTAL U.S. DEPARTMENT OF JUSTICE		322,641	
U.S. DEPARTMENT OF TRANSPORTATION			
Direct:			
Airport Improvement Program	20.106	94,749	03-06-0047-12
Federal Transit - Formula Grants	20.507	239,425	N/A
Subtotal U.S. Department of Transportation direct programs		334,174	
Pass Through California Department of Transportation:			
Highway Planning and Construction	20.205	135,898	BRL-05932(054)
Highway Planning and Construction	20.205	307,574	X09-5932(054)
Total Highway Planning and Construction		443,472	
State and Community Highway Safety	20.600	31,884	HSIPL-5932
Subtotal U.S. Department of Transportation pass through programs		475,356	
TOTAL U.S. DEPARTMENT OF TRANSPORTATION		809,530	
U.S. DEPARTMENT OF EDUCATION			
Direct:			
Individual with Disabilities Education Act (IDEA)	84.unknown	64,341	N/A
TOTAL U.S. DEPARTMENT OF EDUCATION		64,341	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Pass Through California Department of Social Services:			
Promoting Safe and Stable Families	93.556	29,631	151-25-30
Temporary Assistance for Needy Families	93.558	6,115,885	151-25-30
Child Support Enforcement	93.563	1,075,109	CS 356 AEC
ARRA - Child Support Enforcement	93.563	186,645	CS 356 AEC
Total Child Support Enforcement		1,261,754	

(Continued)

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

COUNTY OF TUOLUMNE, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2009

Federal Grantor **Pass Through Grantor (if not direct)** **Program Title**	**CFDA No.**	**Expenditures/ Expenses**	**Grant #/ Project ID**
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)			
Pass Through California Department of Social Services (Continued):			
Foster Care - Title IV-E	93.658	$ 1,569,888	141-16-75
Adoption Assistance	93.659	684,365	151-25-30
Child Abuse and Neglect State Grants	93.669	20,323	CBCAP
Chafee Foster Care Independence Program	93.674	22,437	151-25-30
Pass Through California Department of Health Services:			
Child Health & Disability Prevention	93.unknown	109,287	CHDP
Child Health & Disability Prevention	93.unknown	25,362	HCPC
Total Child Health & Disability Prevention		134,649	
California Childrens Services	93.unknown	10,579	08-85102 LEAD
California Childrens Services	93.unknown	7,279	04-35727-CAPP
California Childrens Services	93.unknown	2,258	none
Total California Childrens Services		20,116	
Targeted Case Management	93.unknown	45,718	55-0712
ARRA - Targeted Case Management	93.unknown	8,331	55-0712
Total Targeted Case Management		54,049	
AIDS Programs	93.unknown	33,446	07-65094
Public Health Emergency Preparedness	93.069	8,689	EPO-CDC 08-55
Family Planning Services	93.217	20,000	1420-5320-71209-08
Family Planning Services	93.217	19,503	1420-5320-71209-09
Total Family Planning Services		39,503	
Immunization Grants	93.268	21,929	08-85333
Medical Assistance Program	93.778	93,868	08-85139
Maternal and Child Health Services Block Grant to the States	93.994	118,531	200855
Pass Through California Department of Alcohol and Drug Program:			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	448,855	09-NNA55
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		10,677,918	
U.S. DEPARTMENT OF HOMELAND SECURITY			
Pass through California Emergency Management Agency:			
Federal Forest Reserve-Title III	97.unknown	102,499	US Forest Reserve FY09
Emergency Medical Services Grants	97.unknown	187,810	EPO 07-55 and EPO 08-55
Bioterrorism Preparedness	97.003	156,873	EPO CDC 08-55
State Domestic Preparedness Equipment Support Program	97.004	119,916	2007-0008 & 2008-0006
Emergency Management Performance Grants	97.042	17,179	109-00000
Total Homeland Security Cluster		137,095	
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY		584,277	
TOTAL EXPENDITURES OF FEDERAL AWARDS		$ 23,549,341	

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

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

NOTE A – GENERAL

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

NOTE B – BASIS OF ACCOUNTING

The accompanying Schedule is presented using the modified accrual basis of accounting, which is described in Note 1 to the County's basic financial statements, except for programs recorded in the County's enterprise funds. The enterprise funds are presented using the accrual basis of accounting, which is described in Note 1 to the County's basic financial statements.

NOTE C – RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Federal expenditures/expenses materially agree to or can be reconciled with the amounts reported in the County's basic financial statements.

NOTE D – RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the Schedule agree to or can be reconciled with the amounts reported in the related federal financial reports.

NOTE E – AMOUNT PROVIDED TO SUBRECIPIENTS

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

Federal Program	CFDA Number	Amount
Community Development Block Grant	14.228	$ 375,958
Block Grant for Prevention and Treatment of Substance Abuse	93.959	448,855

NOTE F – LOAN PROGRAMS

The County participates in certain federal award programs that sponsor revolving loan programs, which are administered by the County. These programs maintain servicing and trust arrangements with the County to collect loan repayments. The funds are returned to the programs upon repayment of the principal and interest and programs funded by these repayments are reported as expenditures in the Schedule. The federal government has imposed certain continuing compliance requirements with respect to the loans rendered under the programs. In accordance with Subpart B, Section 205 of the Office of Management and Budget Circular A-133, the County has reported the value of total outstanding and new loans made during the current year.

The following is a summary of the loan program balances and activities that have continuing compliance requirements at June 30, 2009:

Program Title	CFDA Number	June 30, 2009 Loans Outstanding	Prior Year Loans With Continuing Compliance Requirements	Fiscal Year 2009 Loan Disbursements
Community Development Block Grant / State's Program	14.228	$ 914,938	$ 914,938	$ --
HOME Investment Partnerships Program	14.239	2,382,679	1,811,483	571,196
		$ 3,297,617	$ 2,726,421	$ 571,196

NOTE G – SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM EXPENDITURES

The reported expenditures for benefits under the Supplemental Nutrition Assistance Program (SNAP)(CFDA No. 10.551) are supported by both regularly appropriated funds and incremental funding made available under section 101 of the American Recovery and Reinvestment Act of 2009 (ARRA). The mechanism used by the United States Department of Agriculture (USDA) to make these funds available to states does not enable a state to validly disaggregate the regular and ARRA components of this figure. At the national aggregate level, however, ARRA funds account for approximately 15 percent of USDA's total expenditures for SNAP benefits in the federal fiscal year ended September 30, 2009.

MACIAS GINI & O'CONNELL LLP
Certified Public Accountants & Management Consultants

SACRAMENTO
3000 S Street, Suite 300
Sacramento, CA 95816
916.928.4600

WALNUT CREEK

OAKLAND

LOS ANGELES

NEWPORT BEACH

SAN MARCOS

SAN DIEGO

To the Board of Supervisors
and Grand Jury
County of Tuolumne
Sonora, California

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*

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 Tuolumne, California (County), as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements, and have issued our report thereon dated April 26, 2010. Our report contained an explanatory paragraph discussing the County's adoption of the provisions of Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* during the year ended June 30, 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.

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 entity'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 entity's financial statements 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 misstatement of the financial statements will not be prevented or detected by the entity'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.

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*.

This report is intended solely for the information and use of the Board of Supervisors, Grand Jury, management, and state and federal grantors and is not intended to be and should not be used by anyone other than these specified parties.

Macias Gini & O'Connell LLP

Certified Public Accountants

Sacramento, California
April 26, 2010

MACIAS GINI & O'CONNELL LLP
Certified Public Accountants & Management Consultants

SACRAMENTO
3000 S Street, Suite 300
Sacramento, CA 95816
916.928.4600

WALNUT CREEK

OAKLAND

LOS ANGELES

NEWPORT BEACH

SAN MARCOS

SAN DIEGO

To the Board of Supervisors
and Grand Jury
County of Tuolumne
Sonora, California

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM, INTERNAL CONTROL OVER COMPLIANCE, AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS IN ACCORDANCE WITH OMB CIRCULAR A-133

Compliance

We have audited the compliance of the County of Tuolumne, California (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, 2009. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. However, the results of our audit procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2009-1.

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 the County's 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 as of and for the year ended June 30, 2009, and have issued our report thereon dated April 26, 2010. Our report contained an explanatory paragraph discussing the County's adoption of the provisions of Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* during the year ended June 30, 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.

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.

This report is intended solely for the information and use of the Board of Supervisors, Grand Jury, management, and state and federal grantors and is not intended to be and should not be used by anyone other than these specified parties.

Macias Gini & O'Connell LLP

Certified Public Accountants

Sacramento, California
May 11, 2010, except for the schedule
of expenditures of federal awards, as to
which the date is April 26, 2010

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

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
• Material weaknesses identified	No
• Significant deficiencies identified that are not considered to be material weaknesses	None reported
Noncompliance material to financial statements noted?	No

Federal Awards:

Internal control over major programs:	
• Material weaknesses identified	No
• Significant deficiencies identified that are not considered to be material weaknesses	None reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	Yes

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
10.551 / 10.561	SNAP Cluster
14.228	Community Development Block Grant/State's Program
93.563	Child Support Enforcement
93.558	Temporary Assistance for Needy Families
93.658	Adoption Assistance (Title IV-E)
93.659	Foster Care – Title IV-E

Dollar threshold used to distinguish between Type A and Type B programs:	$706,480
Auditee qualified as low-risk auditee	No

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

Item: 2009-1

Criteria:

Under Office of Management and Budget (OMB) Circular A-133, single audit reports are due nine months after the end of the County's year end. For the County's single audit report for the year ended June 30, 2009, the due date was March 31, 2010.

Condition:

The County's single audit report for the year ended June 30, 2009 was issued in May 2010, making it late and therefore not in compliance with OMB Circular A-133.

Effect:

The lateness of the County's single audit report for the year ended June 30, 2009 may cause some grantors to either withhold or discontinue funding pending the release of the single audit report. In addition, submitting the reports late precludes the County from being considered a low risk auditee.

Cause:

The County's single audit report for the year ended June 30, 2009 was issued late because the County's annual financial report for the year ended June 30, 2009 was issued late, which was mainly attributable to the severe economic conditions that currently exist. Due to these conditions, the County did not have adequate resources available to accomplish this task in a timely fashion because of layoffs and furloughs.

Recommendations:

We recommend that the County take the necessary steps to obtain adequate resources needed to issue the County's annual financial report and single audit reports in a more timely fashion.

Management Response/Corrective Action:

We concur and have set up procedures to issue the report more timely.

COUNTY OF TUOLUMNE, CALIFORNIA
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

No prior year findings reported.