COUNTY OF TUOLUMNE, CALIFORNIA

Single Audit Reports

For the Year Ended June 30, 2010

COUNTY OF TUOLUMNE, CALIFORNIA
FOR THE YEAR ENDED JUNE 30, 2010

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COUNTY OF TUOLUMNE, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

Federal Grantor Pass Through Grantor (if not direct) Program Title	CFDA No.	Expenditures/ Expenses	Grant #/ Project ID
U.S. DEPARTMENT OF AGRICULTURE			
Direct:			
U.S. Forest Service Communications	10.unknown	$ 3,100	06-LE-11051650-050
U.S. Forest Service - Emergency Airport Use	10.unknown	14,250	AG-9A40-B-09-5901
Law Enforcement - USFS	10.unknown	125,912	07-LE-11051360-011
Passed through California Department of Food and Agriculture			
Plant and Animal Disease, Pest Control, and Animal Care	10.025	10,237	09-8520-0934-GR
Plant and Animal Disease, Pest Control, and Animal Care	10.025	30,724	09-8500-0484-CA
Plant and Animal Disease, Pest Control, and Animal Care	10.025	723	10-8520-1164-CA
Total Plant and Animal Disease, Pest Control, and Animal Care		41,684	
Forest Health Protection	10.680	2,044	09-DG-11052021-117
ARRA - Recovery Act of 2009: Wildland Fire Management	10.688	16,378	09-DG-11059702.21
Passed through California Department of Public Health:			
Special Supplemental Nutrition Program for Women, Infants, and Childre	10.557	535,572	08-85483
Passed through California Department of Education:			
Child and Adult Care Food Program	10.558	20,997	5017-1-N
Passed through California Department of Social Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	680,844	141-16-75
ARRA- State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	18,217	141-16-75
Total State Administrative Matching Grants for the Supplemental Nutrition Assistance Program		699,061	
Passed through California Controller's Office:			
Schools and Roads - Grants to States	10.665	102,976	US Forest Reserve Title III
Schools and Roads - Grants to States	10.665	911,767	US Forest Reserve Title I
Total Schools and Roads - Grants to States		1,014,743	
TOTAL U.S. DEPARTMENT OF AGRICULTURE		2,473,741	
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Direct:			
Community Development Block Grants/Brownfields Economic Development Initiative	14.246	223,673	B-04-SP-CA-0102
Passed through California Department of Housing and Community Development:			
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	1,250	08-PTAG-5367
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	40,985	09-STBG-6418
Total Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii		42,235	

(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, 2010

Federal Grantor **Pass Through Grantor (if not direct)** **Program Title**	**CFDA No.**	**Expenditures/ Expenses**	**Grant #/ Project ID**
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (Continued)			
Passed through California Department of Housing and Community: Development (Continued):			
Home Investment Partnerships Program	14.239	180,597	07-HOME-3087
Home Investment Partnerships Program	14.239	545,340	08-HOME-4714
Total Home Investment Partnerships Program		725,937	
Passed through Amador-Tuolumne Community Action Agency:			
ARRA - Homeless Prevention and Rapid Re-Housing Program Technical Assistance	14.262	18,616	09-HPRP-6121
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		1,010,461	
U.S. DEPARTMENT OF INTERIOR			
Direct:			
Law Enforcement - New Melones	15.unknown	18,405	R10PX24014
Law Enforcement - Don Pedro	15.unknown	31,801	N/A
Total Law Enforcement		50,206	
Payment in Lieu of Taxes	15.226	1,503,075	N/A
Passed through California Controller's Office:			
Distribution of Receipts to State and Local Governments	15.227	702	US Grazing Fees
TOTAL U.S. DEPARTMENT OF INTERIOR		1,553,983	
U.S. DEPARTMENT OF JUSTICE			
Direct:			
DEA-marijuana eradication	16.unknown	45,000	2010-59
State Criminal Alien Assistance Program	16.606	8,760	N/A
Bulletproof Vest Partnership Program	16.607	10,358	N/A
Edward Byrne Memorial Justice Assistance Grant Program	16.738	1,646	2006-DJ-BX-1033
Edward Byrne Memorial Justice Assistance Grant Program	16.738	5,048	2007-DJ-BX-0902
Passed through California Emergency Management Agency:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	150,636	DC09200550
Total Edward Byrne Memorial Justice Assistance Grant Program		157,330	
Direct:			
ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants To Units Of Local Government	16.804	15,087	2009-SB-B9-2612

(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, 2010

Federal Grantor **Pass Through Grantor (if not direct)** **Program Title**	**CFDA No.**	**Expenditures/ Expenses**	**Grant #/ Project ID**
U.S. DEPARTMENT OF JUSTICE (Continued)			
Passed through California Emergency Management Agency:			
ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants To Units Of Local Government	16.804	32,514	ZO09010550
ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants To Units Of Local Government	16.804	12,516	ZA09010550
Total ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants To Units Of Local Government		60,117	
Crime Victim Assistance	16.575	57,298	VW09230550
ARRA - Violence Against Women Formula Grants	16.588	6,845	RV09010550
ARRA - Recovery Act - State Victim Assistance Formula Grant Program	16.801	11,190	VS09010550
TOTAL U.S. DEPARTMENT OF JUSTICE		356,898	
U.S. DEPARTMENT OF TRANSPORTATION			
Direct:			
Federal Transit - Formula Grants	20.507	229,786	N/A
Passed through California Department of Transportation:			
Highway Planning and Construction	20.205	1,681,062	BRLO-5932 (007)
Highway Planning and Construction	20.205	226,447	X10-6154 (037)
Highway Planning and Construction	20.205	6,983	BRLO-5932 (038)
Highway Planning and Construction	20.205	48,373	BRLS-5932 (039)
Highway Planning and Construction	20.205	35,660	HSIPL-5932 (045)
Highway Planning and Construction	20.205	1,593,707	CML-5932 (056)
Total Highway Planning and Construction (non-ARRA)		3,592,232	
ARRA - Highway Planning and Construction	20.205	2,250,276	HPESPL-5932 (055)
Total Highway Planning and Construction (ARRA and non-ARRA)		5,842,508	
ARRA - Formula Grants for Other Than Urbanized Areas	20.509	383,183	CA-86-X001-00
Passed through California Emergency Management Agency:			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	3,377	HM-HMP-0039-09-01-00
TOTAL U.S. DEPARTMENT OF TRANSPORTATION		6,458,854	
U.S. DEPARTMENT OF EDUCATION			
Direct:			
Individual with Disabilities Education Act (IDEA)	84.unknown	65,791	N/A
TOTAL U.S. DEPARTMENT OF EDUCATION		65,791	

(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, 2010

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			
Passed through California Department of Public Health:			
AIDS Programs	93.unknown	1,845	07-65094
Public Health Emergency Preparedness	93.069	329,632	EPO 09-55
Public Health Emergency Preparedness	93.069	180,374	EPO P3-55
Public Health Emergency Preparedness	93.069	11,764	EPO 08-55
Total Public Health Emergency Preparedness		521,770	
Immunization Grants	93.268	34,576	09-11310
National Bioterrorism Hospital Preparedness Program	93.889	187,291	EPO 09-55
National Bioterrorism Hospital Preparedness Program	93.889	101,407	EPO 08-55
National Bioterrorism Hospital Preparedness Program	93.889	45,846	EPO 07-55
Total National Bioterrorism Hospital Preparedness Program		334,544	
Maternal and Child Health Services Block Grant to the States	93.994	83,571	200955
Passed through California Department of Mental Health			
Projects for Assistance in Transition from Homelessness (PATH)	93.150	10,000	none
Passed through California Family Health Council, Inc.			
Family Planning - Services	93.217	49,653	1420-5320-71209
Passed through YES Partnership/Amador-Tuolumne Community Action Agency:			
Drug-Free Communities Support Program Grants	93.276	2,000	none
Passed through California Department of Social Services:			
Promoting Safe and Stable Families	93.556	31,679	151-25-30
Temporary Assistance for Needy Families	93.558	5,561,354	151-25-30
ARRA - Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program	93.714	41,289	151-25-30
Total TANF Cluster		5,602,643	
Child Support Enforcement	93.563	1,106,497	CS 356 AEC
ARRA - Child Support Enforcement	93.563	233,983	CS 356 AEC
Total Child Support Enforcement		1,340,480	
Child Welfare Services - State Grants	93.645	29,139	151-25-30
Foster Care - Title IV-E	93.658	1,494,452	141-16-75
ARRA - Foster Care - Title IV-E	93.658	38,406	141-16-75
Total Foster Care - Title IV-E		1,532,858	
Adoption Assistance	93.659	805,366	151-25-30
ARRA - Adoption Assistance	93.659	113,134	151-25-30
Total Adoption Assistance		918,500	
Child Abuse and Neglect State Grants	93.669	14,505	CBCAP
Chafee Foster Care Independence Program	93.674	22,356	151-25-30
ARRA - Medical Assistance Program	93.778	7,235	151-25-30

(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, 2010

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)			
Passed through California Department of Health Care Services:			
ARRA - Medical Assistance Program	93.778	6,069	TCM 55-0712
Total ARRA - Medical Assistance Program		13,304	
Medical Assistance Program	93.778	128,829	08-85139
Medical Assistance Program	93.778	59,985	CHDP
Medical Assistance Program	93.778	16,783	HCPC
Medical Assistance Program	93.778	14,379	CCS 08-85102 LEAD
Medical Assistance Program	93.778	67,047	CCS-Admin
Medical Assistance Program	93.778	26,246	TCM 55-0712
Total Medical Assistance Program (non-ARRA)		313,269	
Total Medical Assistance Program (ARRA and non-ARRA)		326,573	
Passed through California Department of Alcohol and Drug Programs:			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	453,268	10-NNA55
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		11,309,960	
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed through California Office of Homeland Security:			
State Domestic Preparedness Equipment Support Program (State Homeland Security Grant Program)	97.004	121,269	2008-0006
Passed through California Emergency Management Agency:			
Homeland Security Grant Program	97.067	83,762	2009-0019
Total Homeland Security Cluster		205,031	
Passed through Cal Fire:			
Emergency Management Performance Grants	97.042	19,336	7FG90123
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY		224,367	
TOTAL EXPENDITURES OF FEDERAL AWARDS		$ 23,454,055	

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, 2010

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 Grants/State’s program and Non-Entitlement Grants in Hawaii	14.228	$ 18,625
Block Grants for Prevention and Treatment of Substance Abuse	93.959	453,268

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, 2010:

Program Title	CFDA Number	June 30, 2010 Loans Outstanding	Prior Year Loans With Continuing Compliance Requirements	Fiscal Year 2010 Loan Disbursements
Community Development Block Grants/ State's program and Non-Entitlement Grants in Hawaii	14.228	$ 843,183	$ 843,183	$ --
Home Investment Partnerships Program	14.239	2,902,851	2,346,479	556,372
		$ 3,746,034	$ 3,189,662	$ 556,372

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, 2010, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 28, 2010. Our report contained an explanatory paragraph discussing the County's adoption of the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* during the year ended June 30, 2010. 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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
December 28, 2010

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE, AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS IN ACCORDANCE WITH OMB CIRCULAR A-133

Compliance

We have audited the County of Tuolumne, California's (County) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2010. 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. 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 complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

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, 2010, and have issued our report thereon dated December 28, 2010. Our report contained an explanatory paragraph discussing the County's adoption of the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* during the year ended June 30, 2010. 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 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
March 4, 2011, except for the schedule
of expenditures of federal awards, as to
which the date is December 28, 2010

COUNTY OF TUOLUMNE, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010

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?	No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (ARRA and non-ARRA)
10.665	Schools and Roads – Grants to States
20.205	Highway Planning and Construction (ARRA and non-ARRA)
20.509	Formula Grants for Other Than Urbanized Areas (ARRA)
93.558 / 93.714	TANF Cluster [Temporary Assistance for Needy Families (non-ARRA) and Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program (ARRA)]
93.658	Foster Care – Title IV-E (ARRA and non-ARRA)
93.659	Adoption Assistance (ARRA and non-ARRA)

Dollar threshold used to distinguish between Type A and Type B programs:	$703,622
Auditee qualified as low-risk auditee	No

COUNTY OF TUOLUMNE, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2010

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

COUNTY OF TUOLUMNE, CALIFORNIA
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010

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.

Status:

This report is being issued prior to March 31, 2011, therefore we considered our recommendation implemented.