

**COUNTY OF CALAVERAS**

**SINGLE AUDIT REPORT**

**JUNE 30, 2007**

**COUNTY OF CALAVERAS**

Single Audit Report  
For the Year Ended June 30, 2007

Table of Contents

	<u>Page</u>
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	1-2
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 .....	3-5
Schedule of Expenditures of Federal Awards.....	6-8
Notes to Schedule of Expenditures of Federal Awards .....	9-10
Schedule of Findings and Questioned Costs.....	11-12
Summary Schedule of Prior Audit Findings.....	13
Office of Emergency Services and Department of Corrections and Rehabilitation Supplementary Schedules.....	14-15



**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**

Board of Supervisors and Grand Jury  
County of Calaveras  
San Andreas, 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 Calaveras as of and for the year ended June 30, 2007, which collectively comprise the County's financial statements and have issued our report thereon dated January 31, 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 of Calaveras' internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the 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 preceding paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or

Board of Supervisors and Grand Jury  
County of Calaveras

Internal Control Over Financial Reporting (continued)

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 of Calaveras' 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 that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of County of Calaveras in a separate letter dated January 31, 2008.

This report is intended solely for the information and use of management, the Board of Supervisors, the Grand Jury, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties.

BARTIG, BASLER & RAY, LLP  
A Gallina LLP Company



Roseville, California  
January 31, 2008



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

Board of Supervisors and Grand Jury  
County of Calaveras  
San Andreas, California

Compliance

We have audited the compliance of the County of Calaveras (the County) with the types of compliance requirements described in *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, 2007. 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, 2007.

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 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 and to test and report on internal control over compliance

Board of Supervisors and Grand Jury  
County of Calaveras

Internal Control Over Compliance (continued)

in accordance with OMB Circular A-133. 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 the 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 County as of and for the year ended June 30, 2007, and have issued our report thereon dated January 31, 2008. Our audit was performed for the purpose of forming 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, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Office of Emergency Services and Department of Corrections and Rehabilitation Supplementary Schedules, beginning on page 14, have not been subjected to auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on them.

We noted certain matters that we reported to management of County of Calaveras in a separate letter dated January 31, 2008.

Board of Supervisors and Grand Jury  
County of Calaveras

This report is intended solely for the information and use of management, the Board of Supervisors, the Grand Jury, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specific parties.

BARTIG, BASLER & RAY, LLP  
A Gallina LLP Company

*Bartig Basler & Ray, LLP*

Roseville, California  
January 31, 2008

**COUNTY OF CALAVERAS**

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2007

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Agriculture</u>			
Passed through State Department of Food and Agriculture:			
Sudden Oak Death	10.025	06-8523--572-CA	\$ 2,132
Pierce's Disease	10.025	07-8500-0484-CA	30,563
PD/EP Trapping	10.025	--	22,967
Noxious Weeds	10.680	06-DG-11052021-172	11,827
Subtotal			<u>67,489</u>
Passed through State Department of Social Services:			
Food Stamps	10.551	--	2,278,990
State Administrative Matching Grants for Food Stamp Program	10.561	--	257,580
Subtotal			<u>2,536,570</u>
Passed through State Controller's Office:			
Schools and Roads – Grants to States	10.665	--	149,669
Schools and Roads – Grants to Counties	10.666	--	52,825
Subtotal			<u>202,494</u>
Total U.S. Department of Agriculture			<u>\$ 2,806,553</u>
<u>U.S. Department of Housing and Urban Development</u>			
Passed through State Department of Housing and Community Development:			
Community Development Block Grants/States Program	14.228 *	05-STBG-1525	475,555
Community Development Block Grants/States Program	14.228 *	--	349,528
Subtotal			<u>825,083</u>
Home Investment Partnership Program	14.239	04-HOME-0708	560,087
Home Investment Partnership Program	14.239	--	92,051
Subtotal			<u>652,138</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 1,477,221</u>
<u>U.S. Department of the Interior</u>			
Direct program:			
Payments in Lieu of Taxes	15.226	--	72,440
Total U.S. Department of the Interior			<u>\$ 72,440</u>

\* Major Program



**COUNTY OF CALAVERAS**

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2007

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Justice</u>			
Direct Program:			
Power Flare Grant	16.580	2006-DJ-BX-0888	\$ 10,993
Passed through State Department of Corrections and Rehabilitation:			
Title II	16.000	CSA 303-06	51,017
Juvenile Probation and Camps Funding	16.000	CSA 705-06	92,075
Subtotal			<u>143,092</u>
Passed through State Office of Emergency Services:			
Victim Witness Program	16.575	VW06110050	48,645
Narcotics Enforcement Unit	16.579	DC06160050	118,734
Subtotal			<u>167,379</u>
Total U.S. Department of Justice			<u>\$ 321,464</u>
<u>U.S. Department of Transportation</u>			
Direct program:			
Airport Improvement Program	20.106	03-06-0207-04	2,992
Subtotal			<u>2,992</u>
Passed through State Department of Transportation:			
Highway Planning and Construction	20.205	BRLS5930 (025)	119,786
Federal Transit Administration	20.209	--	69,799
Total U.S. Department of Transportation			<u>\$ 192,577</u>
<u>U.S. Department of Health and Human Services</u>			
Passed through State Department of Social Services:			
Special Programs for the Aging Title III, Part B	93.044	--	163,584
Family Preservation and Support Services	93.556	--	119,285
Temporary Assistance for Needy Families	93.558 *	--	2,615,803
Child Welfare Services – State Grants	93.645	--	186,496
Foster Care – Title IV-E	93.658 *	--	1,041,880
Adoption Assistance Program	93.659	--	276,485
Independent Living	93.674	--	29,830
Subtotal			<u>4,433,363</u>

\* Major Program

**COUNTY OF CALAVERAS**

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2007

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Health and Human Services (continued)</u>			
Passed through State Department of Health Services:			
Bioterrorism Training and Curriculum	93.283	EPO 06-06	\$ 223,609
California Children's Services -- Healthy Families (Title XXI)	93.767	--	15,108
National Bioterrorism Hospital Preparedness Program	93.889	EPO 06-06	46,322
Maternal Child and Adolescent Health (Title V)	93.994	--	31,500
Subtotal			<u>316,539</u>
Medi-Cal Administration	93.778	--	662,107
California Children's Services -- Administrative Program	93.778	--	60,743
Child Health and Disability Program	93.778	--	62,393
Health Care Program for Children in Foster Care	93.778	--	17,446
Maternal Child and Adolescent Health (Title XIX)	93.778	--	28,583
Subtotal CFDA 93.778			<u>831,272</u>
Passed through Calaveras/Mariposa Community Action Agency:			
Community Services Block Grant	93.569	CMCAA	<u>5,000</u>
Passed through State Department of Mental Health:			
Block Grant for Community Mental Health Services (SAMSHA)	93.958	--	<u>119,673</u>
Passed through State Department of Alcohol and Drug Abuse Programs:			
Block Grants for Prevention and Treatment of Substance Abuse (SAPT)	93.959	--	<u>577,688</u>
Total U.S. Department of Health and Human Services			<u>\$ 6,283,535</u>
<u>U.S. Department of Homeland Security</u>			
Passed through State Office of Homeland Security:			
FY 2006 Homeland Security Grant	97.067	2006-0071	<u>176,439</u>
Passed through State Office of Emergency Services:			
Public Assistance Grants - FEMA	97.036	--	343,630
Emergency Management Performance Grant	97.042	2006-EMF-066-GR-0402	55,046
Subtotal			<u>398,676</u>
Total U.S. Department of Homeland Security			<u>\$ 575,115</u>
Total Expenditures of Federal Awards			<u><u>\$ 11,728,905</u></u>

**COUNTY OF CALAVERAS**

Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2007

Note 1: **Reporting Entity**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the County of Calaveras. The County of Calaveras 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 includes the federal grant activity of the County and is presented on accounting principles generally accepted in the United States of America. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

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 Calaveras provided federal awards to subrecipients as follows:

<u>Federal CFDA</u>	<u>Subrecipient</u>	<u>Amount</u>
14.228	Mercy Housing	\$ 31,159
14.239	Central Sierra Planning Council	<u>59,238</u>
	Total	<u>\$ 90,397</u>

Note 5: **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

**COUNTY OF CALAVERAS**

Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2007

Note 5: **Pass-Through Entities' Identifying Number** (continued)

pass-through entity. When no identifying number is shown, the County determined that no identifying number is assigned for the program or the County was unable to obtain an identifying number from the pass-through entity.

Note 6: **Loans Outstanding**

The following programs had federally-funded loans outstanding at June 30, 2007:

<u>Federal CFDA</u>	<u>Program Title</u>	<u>Amount Outstanding</u>
14.228	Community Development Block Grant/State's Program	\$ 1,525,153
14.239	HOME Investment Partnerships Program	<u>1,211,566</u>
	Total	<u>\$ 2,736,719</u>

Note 7: **Program Clusters**

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

<u>Federal CFDA</u>	<u>Program Title</u>	<u>Federal Expenditures</u>
<u>Food Stamp Cluster:</u>		
10.551	Food Stamps	\$ 2,278,990
10.561	State Administrative Matching Grants for Food Stamp Program	<u>257,580</u>
	TOTAL	<u>\$ 2,536,570</u>
<u>Schools and Roads Cluster:</u>		
10.665	Schools and Roads – Grants to States	\$ 149,669
10.666	Schools and Roads – Grants to Counties	<u>52,825</u>
	TOTAL	<u>\$ 202,494</u>

**COUNTY OF CALAVERAS**

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2007

**Section 1**

Summary of Auditor's Results

Financial Statements

- |  |               |
|--|---------------|
| 1. Type of auditor's report issued:  | Unqualified   |
| 2. Internal control 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?  | None reported |
| 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: |   |
| <u>CFDA Number</u>                   | <u>Name of Federal Program</u>          |
| 14.228                               | Community Development Block Grant       |
| 93.558                               | Temporary Assistance for Needy Families |
| 93.658                               | Foster Care – Title IV-E                |

- |   |            |
|---|------------|
| 5. Dollar threshold used to distinguish between Type A and Type B programs:       | \$ 351,867 |
| 6. Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 530? | Yes        |

**COUNTY OF CALAVERAS**

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2007

**Section 2**

Financial Statement Findings

None Reported

**Section 3**

Federal Award Findings and Questioned Costs

None Reported

**COUNTY OF CALAVERAS**

Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2007

<u>Audit Reference Number</u>	<u>Status of Prior Year Audit Findings</u>
<b>Finding 06-1</b>	<b><u>Recommendation</u></b>
Homeland Security Grant Program CFDA 97.004	We recommend that the department implement a system for collection of activity data from employees who work on grant functions. Activity reports could be collected by the department's payroll coordinator for each pay period and kept on file. The reports could integrate grant time reporting and time-off reporting to minimize the additional paperwork needed.
Award No.: 2005-15 Year: 2005	For more information, we recommend that the county review OMB's requirements located at < <a href="http://www.whitehouse.gov/omb/circulars/a087/a87_2004.html">http://www.whitehouse.gov/omb/circulars/a087/a87_2004.html</a> >.
	<b><u>Status</u></b>
	Corrected.
<b>Finding 06-2</b>	<b><u>Recommendation</u></b>
Homeland Security Grant Program CFDA 97.004	We recommend that the department continue with its current process of placing inventory control tags on all pieces of equipment purchased with grant funds and using the tags to periodically monitor the equipment's presence.
Award No.: 2005-15 Year: 2005	<b><u>Status</u></b>
	Corrected.

**SUPPLEMENTARY SCHEDULES**



**COUNTY OF CALAVERAS**

Supplementary Schedules  
Office of Emergency Services and  
Department of Corrections and Rehabilitation Supplementary Schedules  
For the Year Ended June 30, 2007

**California Office of Emergency Services Grants**

The following represents expenditures for Office of Emergency Services programs for the year ended June 30, 2007. The amount reported in the Schedule of Expenditures of Federal Awards is determined by calculating the federal portion of the current year expenditures.

Program	Expenditures Claimed			Share of Expenditures - Current Year		
	For the Period Through June 30, 2006	For the Year Ended June 30, 2007	Cumulative As of June 30, 2007	Federal Share	State Share	County Share
<u>VW06110050</u>						
<u>Victim-Witness</u>						
Personal services	\$ --	\$ 82,760	\$ 82,760	\$ 48,645	\$ 34,115	\$ --
Operating expenses	--	23,339	23,339	--	23,339	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 106,099</u>	<u>\$ 106,099</u>	<u>\$ 48,645</u>	<u>\$ 57,454</u>	<u>\$ --</u>
<u>DC06160050</u>						
<u>Narcotics Enforcement Unit</u>						
Personal services	\$ --	\$ 106,614	\$ 106,614	\$ 106,614	\$ --	\$ --
Operating expenses	--	12,120	12,120	12,120	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 118,734</u>	<u>\$ 118,734</u>	<u>\$ 118,734</u>	<u>\$ --</u>	<u>\$ --</u>

**COUNTY OF CALAVERAS**

Supplementary Schedules  
Office of Emergency Services and  
Department of Corrections and Rehabilitation Supplementary Schedules  
For the Year Ended June 30, 2007

**California Department of Corrections and Rehabilitation Grants**

The following represents expenditures for California Department of Corrections and Rehabilitation program for the year ended June 30, 2007. The amount reported in the Schedule of Expenditures of Federal Awards is determined by calculating the federal portion of the current year expenditures.

Program	Expenditures Claimed			Share of Expenditures - Current Year		
	For the Period Through June 30, 2006	For the Year Ended June 30, 2007	Cumulative As of June 30, 2007	Federal Share	State Share	County Share
<u>CSA 303-06</u>						
<u>Title II</u>						
Personal services	\$ --	\$ 7,985	\$ 7,985	\$ 7,985	\$ --	\$ --
Operating expenses	--	9,017	9,017	9,017	--	--
Equipment	--	34,015	34,015	34,015	--	--
Totals	<u>\$ --</u>	<u>\$ 51,017</u>	<u>\$ 51,017</u>	<u>\$ 51,017</u>	<u>\$ --</u>	<u>\$ --</u>
<u>CSA 705-06</u>						
<u>Juvenile Probation and Camps Funding</u>						
Personal services	\$ --	\$ 58,414	\$ 58,414	\$ 58,414	\$ --	\$ --
Operating expenses	--	15,000	15,000	15,000	--	--
Equipment	--	18,661	18,661	18,661	--	--
Totals	<u>\$ --</u>	<u>\$ 92,075</u>	<u>\$ 92,075</u>	<u>\$ 92,075</u>	<u>\$ --</u>	<u>\$ --</u>