

County of Glenn

Willows, California

Single Audit Reports

For the year ended June 30, 2010

County of Glenn
Single Audit Reports
For the year ended June 30, 2010

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Caporicci & Larson, Inc.
A Subsidiary of Marcum LLP
Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Supervisors
of the County of Glenn
Willows, 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 Glenn, California (the "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 August 15, 2011. We did not audit the financial statements of the First 5 Glenn County (the "Children & Family Commission"), a discretely presented component unit of the County, which represents \$539,538 of assets and \$564,913 of revenues. Those financial statements were audited by other auditors whose report, dated October 20, 2010, and expressing an unqualified opinion, has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Children & Family Commission, is based solely on the report of the other auditors. 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies we consider to be significant deficiencies.

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 a 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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2010-01 and 2010-02 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompany schedule of findings and questioned costs as items 2010-03 and 2010-04 to be significant deficiencies.

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 result of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the Board of Supervisors, others within the County, 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.

Caporicci & Larson, Inc.

Caporicci & Larson, Inc.
A Subsidiary of Marcum LLP
Certified Public Accountants
San Francisco, California
August 15, 2011



Caporicci & Larson, Inc.
A Subsidiary of Marcum LLP
Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Supervisors
of the County of Glenn
Willows, California

Compliance

We have audited the County of Glenn, California (the "County")'s 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 Audit 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 complied, in all material respects, with the compliance 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. The results of our auditing procedures disclosed no instance of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133.

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 our 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.

To the Honorable Board of Supervisors
of the County of Glenn
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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, which collectively comprise the County's basic financial statements, and have issued our report thereon dated August 15, 2011. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements. We did not audit the financial statements of the First 5 Glenn County (the "Children & Family Commission"), a discretely presented component unit of the County, which represents \$539,538 of assets and \$564,913 of revenues. Those financial statements were audited by other auditors whose report, dated October 20, 2010, and expressing an unqualified opinion, has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Children & Family Commission, is based solely on the report of the other auditors. 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 financial statements taken as whole.

This report is intended solely for the information and use of management, the Board of Supervisors, others within the entity, 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.

Caporicci & Larson, Inc.

Caporicci & Larson, Inc.
A Subsidiary of Marcum LLP
Certified Public Accountants
San Francisco, California
August 15, 2011

County of Glenn
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2010

Grantor Agency and Program Title	Federal Catalog Number	Pass-through Number	Program Expenditures
U.S. Department of Agriculture			
<i>Direct Program:</i>			
- ARRA - Capital Improvement and Maintenance	10.687	CA-CF-011-00-07	\$ 20,894
<i>Passed through the State of California, the Department of Social Services:</i>			
Child Nutrition Cluster			
- National School Lunch Program	10.555	n/a	25,269
<i>Passed through the State of California, the Department of Public Health:</i>			
- ARRA - WIC Grant to States	10.578	08-85440	646,968
<i>Passed through the State of California, the State Controller's Office:</i>			
Schools and Roads Cluster			
- Secure Payments for States and Counties Containing Federal Lands	10.665	n/a	255,495
- Schools and Roads - Grants to Counties	10.666	n/a	43,157
Total Schools and Roads Cluster			298,652
Total U.S. Department of Agriculture			991,783
U.S. Department of Housing and Urban Development			
<i>Passed through the State of California, the Department of Housing and Community Development:</i>			
- Community Development Block Grant	14.228	07-EDEF-3740	158,082
- Community Development Block Grant	14.228	08-EDEF-5888	3,712
Total Community Development Block Grant			161,794
- Emergency Shelter Grants Program	14.231	08-FESG-4397	95,641
- HOME Investment Partnerships Program	14.239	08-HOME-4697	359,407
- ARRA - Homeless Prevention and Rapid Re-Housing Program	14.257	09-HPRP-6136	261,771
- Section 8 Housing Choice Vouchers	14.871	05-HAP-100	47,474
Total U.S. Department of Housing and Urban Development			926,087
U.S. Department of Interior			
<i>Direct Program:</i>			
- Payments in Lieu of Taxes	15.226	none	192,236
<i>Direct Program:</i>			
- National Wildlife Refuge Fund/Refuge Revenue Sharing	15.659	none	18,309
Total U.S. Department of Interior			210,545
U.S. Department of Justice			
<i>Direct Program:</i>			
- Drug Enforcement Administration	16.000	SF 08 A 410882	12,000
<i>Passed through the California Emergency Management Agency:</i>			
- Crime Victim Assistance	16.575	VW 09 14 0110	105,933
- Crime Victim Assistance	16.575	AT 08 05 0110	57,515
- Crime Victim Assistance	16.575	AT 09 06 0110	75,000
- Crime Victim Assistance (Probation Specialized Units Program)	16.575	PU 07 05 0110	69,229
Total Crime Victim Assistance			307,677
- Edward Byrne Memorial Justice Assistance Grant Program	16.738		153,789
<i>ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to State and Territories</i>			
ARRA - ADA Enforcement Team	16.803	ZA 09 01 0110	15,566

(Continued)

N/A - Not Available

See accompanying notes to schedule of expenditures of federal awards

County of Glenn
Schedule of Expenditures of Federal Awards, Continued
For the year ended June 30, 2010

Grantor Agency and Program Title	Federal Catalog Number	Pass-through Number	Program Expenditures
U.S. Department of Justice, Continued			
<i>Passed through the California Emergency Management Agency, Continued:</i>			
- ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government			
ARRA - Evidence-Based Adult Supervision	16.804	ZP 09 01 0110	5,770
ARRA - Offender Treatment Program	16.804	ZO 09 01 0110	22,797
Total ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG)			28,567
- ARRA - VOCA Crime Victim Assistance Discretionary Grant Program	16.807	VS 09 01 0110	8,153
<i>Direct Program:</i>			
- Drug Court Discretionary Grant Program	16.585	2008-DC-BX-0010	27,966
<i>Direct Program:</i>			
- State Criminal Alien Assistance Program	16.606	2009-AP-BX-0282	9,112
Total U.S. Department of Justice			562,830
U.S. Department of Labor			
<i>Direct Program:</i>			
Work Investment Act Cluster			
- Workforce Investment Act Adult Program	17.258	09-02	107,809
- Workforce Investment Act Youth Activities	17.259	09-02	99,233
- Workforce Investment Act Dislocated Workers	17.260	09-02	111,363
Total Work Investment Act Cluster			318,405
- Work Incentive Grants			
Allocation	17.266	09-02	26,400
Wave 3	17.266	09-02	16,676
Starrs VI	17.266	09-02	95,764
Total Work Incentive Grants			138,840
- H-1B Job Training Grants			
Cal Grip	17.268	09-02	23,642
- Community Based Job Training Grants			
Construction Transfer	17.269	09-02	69,991
New Start	17.269	09-02	9,700
Total Community Based Job Training Grants			79,691
- ARRA - Program of Competitive Grants for Worker Training and Placement in High Growth and Emerging Industry Sectors			
ARRA - Adult Stimulus	17.275	09-02	47,731
ARRA - Youth Stimulus	17.275	09-02	20,473
ARRA - Dislocated Stimulus	17.275	09-02	71,925
ARRA - Rapid Response Stimulus	17.275	09-02	47,704
ARRA - Construction Transfer	17.275	09-02	11,446
Total ARRA - Program of Competitive Grants for Worker Training and Placement in High Growth and Emerging Industry Sectors			199,279
- Workforce Investment Act (WIA) National Emergency Grants	17.277	09-02	48,663
Total U.S. Department of Labor			808,520
U.S. Department of Energy			
<i>Passed through the State Department of Community Services and Development</i>			
- ARRA - Weatherization Assistance for low-income Persons (ARRA)	81.042	09C-1805	197,828
Total U.S. Department of Energy			197,828

(Continued)

N/A - Not Available

See accompanying notes to schedule of expenditures of federal awards

County of Glenn
Schedule of Expenditures of Federal Awards, Continued
For the year ended June 30, 2010

Grantor Agency and Program Title	Federal Catalog Number	Pass-through Number	Program Expenditures
U.S. Department of Health and Human Services			
<i>Direct Program:</i>			
- Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances	93.104	5M54501	97,254
<i>Passed through the State Department of Social Services:</i>			
- In-Home Support Services	93.unknown	n/a	160,370
- Promoting Safe and Stable Families Family Preservation and Support Services	93.556	n/a	29,627
TANF Cluster			
- Temporary Assistance for Needy Families	93.558	n/a	4,961,630
- ARRA - Emergency Contingency Fund for Temporary Assistance For Needed Families State Programs	93.714	n/a	526,221
Total TANF Cluster			5,487,851
- Child Support Enforcement	93.563	n/a	379,773
- ARRA - Child Support Enforcement	93.563	1004CA4002	89,448
Total Child Support Enforcement			469,221
- Community-Based Child Abuse Prevention Grants	93.590	n/a	31,189
- Child Welfare Services - State Grants	93.645	n/a	39,743
- Foster Care - Title IV-E	93.658	n/a	1,173,084
- ARRA - Foster Care - Title IV-E	93.658	n/a	33,166
Total Foster Care - Title IV-E			1,206,250
- Adoption Assistance - Title IV-E	93.659	n/a	376,258
- ARRA - Adoption Assistance - Title IV-E	93.659	n/a	42,366
Total Adoption Assistance - Title IV-E			418,624
- Social Services Block Grant	93.667	n/a	78,677
- Chafee Foster Care Independent Program	93.674	n/a	26,557
<i>Passed through the State Department of Health Services</i>			
- Public Health Emergency Preparedness	93.069	93285 S/L	186,888
- Public Health Emergency Preparedness - H1N1	93.069	11206 L	215,969
Total Public Health Emergency Preparedness			402,857
- Maternal and Child Health Federal Consolidated Program	93.110	2009-11	89,317
- Immunization Grant	93.268	Immunization Grant	8,803
- Medical Assistance Program (Medicaid; Title XIX)	93.778	MCAC 2009-04	801,075
- Hospital Preparedness Program	93.889	93889 S/L	140,642
- Hospital Preparedness Program - Pandemic Influenza	93.889	93290 S/L	4,283
- Hospital Preparedness Program - H1N1	93.889	11133 SL	14,193
Total Hospital Preparedness Program			159,118
<i>Passed through the State Department of Mental Health</i>			
- Projects for Assistance in Transition from Homelessness (PATH)	93.150	MH 1772B	951
- Block Grants for Community Mental Health Services	93.958	MH 1772A	121,633

(Continued)

N/A - Not Available

See accompanying notes to schedule of expenditures of federal awards

County of Glenn
Schedule of Expenditures of Federal Awards, Continued
For the year ended June 30, 2010

Grantor Agency and Program Title	Federal Catalog Number	Pass-through Number	Program Expenditures
U.S. Department of Health and Human Services, Continued			
<i>Passed through the State Department of Community Services and Development</i>			
- Low-Income Home Energy Assistance Program	93.568	09B-5505 (WX)	66,146
- Low-Income Home Energy Assistance Program	93.568	10B -5605 (WX)	87,992
- Low-Income Home Energy Assistance Program	93.568	09B-5505 (EHA)	268,914
- Low-Income Home Energy Assistance Program	93.568	10B-5605 (EHA)	174,962
Total Low-Income Home Energy Assistance Program			598,014
Community Service Block Grant Cluster			
- Community Service Block Grant	93.569	08F-4912	141,994
- Community Service Block Grant	93.569	08F-4996	18,059
- Community Service Block Grant	93.569	09F-5005	11,008
- Community Service Block Grant	93.569	10F-4012	62,261
Subtotal			233,322
- ARRA - Community Service Block Grant	93.710	09F-5112	95,718
- ARRA - Community Service Block Grant	93.710	09F-5183	18,702
Subtotal			114,420
Total Community Service Block Grant Cluster			347,742
<i>Passed through California Department of Alcohol and Drug Programs</i>			
- Block Grants for Prevention and Treatment of Substance Abuse	93.959	07-NNA11	482,106
Total U.S. Department of Health and Human Services			11,056,979
Social Security Administration			
<i>Direct Program:</i>			
- Supplemental Security Income	96.006	n/a	21,704
Total Social Security Administration			21,704
U.S. Department of Homeland Security			
<i>Passed through the California Department of Housing and Community Development:</i>			
Emergency Food and Shelter Program Cluster			
- Emergency Food and Shelter National Board Program	97.024	27-0676-00	850
- Emergency Food and Shelter National Board Program	97.024	28-0676-00	13,484
- Emergency Food and Shelter National Board Program	97.024	28-0658-00	-
Subtotal			14,334
- ARRA - Emergency Food and Shelter National Board Program	97.114	28-0676-00	4,393
- ARRA - Emergency Food and Shelter National Board Program	97.114	28-0676-00	3,600
- ARRA - Emergency Food and Shelter National Board Program	97.114	28-0658-00	5,333
Subtotal			13,326
Total Emergency Food and Shelter Program Cluster			27,660
<i>Passed through the California Emergency Management Agency</i>			
- Emergency Management Performance Grants	97.042	021-00000	83,871
Homeland Security Cluster			
- Homeland Security Grant Program	97.067	2007	103,289
- Homeland Security Grant Program	97.067	2008	9,187
- Homeland Security Grant Program	97.067	2009	-
Total Homeland Security Cluster			112,476
Total U.S. Department of Homeland Security			224,007
Total Expenditures of Federal Awards			\$ 15,000,283
			(Concluded)

N/A - Not Available

See accompanying notes to schedule of expenditures of federal awards

County of Glenn
Notes to Schedule of Expenditures of Federal Awards
For the year ended June 30, 2010

1. REPORTING ENTITY

Reporting Entity

The financial reporting entity, as defined by the Governmental Accounting Standard Board (“GASB”), consists of the primary government, which is the County of Glenn, California (the “County”), organizations for which the primary government is financially accountable, and other organizations for which the nature and the significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

The County Board of Supervisors acts as the governing body and is able to impose its will on the following organizations by establishing financial accountability:

- Glenn County Community Action Agency
- Artois Fire District
- Bayliss Fire District
- Hamilton Fire District
- Willows Rural Fire District
- Storm Drain Maintenance No. 1
- Storm Drain Maintenance No. 3
- North Willows Community Services Area
- Olive Fruit Fly Pest District
- Air Pollution Control District

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting for program expenditures accounted for in governmental funds and the accrual basis of accounting for program expenditures accounted for in proprietary funds, as described in Note 1 of the County’s basic financial statements.

Schedule of Expenditures of Federal Awards

The accompanying schedule of expenditures of federal awards (“schedule”) presents the activity of all Federal financial assistance programs of the County. Federal financial assistance received directly from Federal agencies as well as Federal financial assistance passed through the State of California is included in the Schedule.

The schedule was prepared only from the accounts of various grant programs and, therefore, does not present the financial position or results of operations of the County.

County of Glenn
Notes to Schedule of Expenditures of Federal Awards, Continued
For the year ended June 30, 2010

3. CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA)

The CFDA numbers included in the accompanying schedule were determined based on the program name, review of grant contract information and Office of Management and Budget's Catalog of Federal Domestic Assistance.

4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The majority of the federal award expenditures are reported in the County's basic financial statements in the general fund, special revenue funds, and enterprise funds.

5. DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

The following schedule of expenditures reflects additional detail of expenditures as required by the State Department of Housing and Community Development.

The following represents expenditures for the Home program, CFDA No. 14.239, for the fiscal year ended June 30, 2010:

A. CONTRACT No.: 08 - HOME - 4697

	July 1, 2009 to June 30, 2010	Total Costs
REVENUES		
Grant revenues	\$ 234,779	\$ 234,779
Interest revenues	30,505	30,505
Total revenues	<u>\$ 265,284</u>	<u>\$ 265,284</u>
EXPENDITURES		
ADMINISTRATION		
Administrative costs	<u>\$ 23,321</u>	<u>\$ 23,321</u>
PROGRAM		
TBRA	290,511	290,511
Loan activity	1,975	1,975
Activity delivery	<u>43,601</u>	<u>43,601</u>
Total program costs	<u>336,087</u>	<u>336,087</u>
Total expenditures	<u>\$ 359,407</u>	<u>\$ 359,407</u>

County of Glenn
Notes to Schedule of Expenditures of Federal Awards, Continued
For the year ended June 30, 2010

6. CALIFORNIA EMERGENCY MANAGEMENT AGENCY

The following schedules of expenditures reflect additional detail of expenditures as required by the California Emergency Management Agency.

The following represents expenditures for the Crime Victim Assistance program, CFDA No. 16.575, and ARRA - VOCA Crime Victim Assistance Discretionary Grant Program, CFDA No. 16.807, for the fiscal year ended June 30, 2010:

A. CONTRACT No.: VW9140110

	July 1, 2009 to June 30, 2010	Total Costs
REVENUES		
Grant revenues	\$ 105,933	\$ 105,933
Total revenues	<u>\$ 105,933</u>	<u>\$ 105,933</u>
EXPENDITURES		
PERSONNEL COSTS		
Personnel costs	\$ 75,273	\$ 75,273
NON-PERSONNEL COSTS		
Operating costs	30,660	30,660
Equipment	-	-
Total non-personnel costs	<u>30,660</u>	<u>30,660</u>
Total expenditures	<u>\$ 105,933</u>	<u>\$ 105,933</u>

County of Glenn
Notes to Schedule of Expenditures of Federal Awards, Continued
For the year ended June 30, 2010

6. CALIFORNIA EMERGENCY MANAGEMENT AGENCY, Continued

B. CONTRACT No.: AT08050110

	July 1, 2008 to <u>June 30, 2009</u>	July 1, 2009 to <u>June 30, 2010</u>	<u>Total Costs</u>
REVENUES			
Grant revenues	\$ 87,654	\$ 57,515	\$ 145,169
Total revenues	<u>\$ 87,654</u>	<u>\$ 57,515</u>	<u>\$ 145,169</u>
EXPENDITURES			
PERSONNEL COSTS			
Personnel costs	\$ 55,770	\$ 27,154	\$ 82,924
NON-PERSONNEL COSTS			
Operating costs	31,884	9,788	41,672
Equipment	-	20,573	20,573
Total non-personnel costs	<u>31,884</u>	<u>30,361</u>	<u>62,245</u>
Total expenditures	<u>\$ 87,654</u>	<u>\$ 57,515</u>	<u>\$ 145,169</u>

County of Glenn
Notes to Schedule of Expenditures of Federal Awards, Continued
For the year ended June 30, 2010

6. CALIFORNIA EMERGENCY MANAGEMENT AGENCY, Continued

C. CONTRACT No.: AT09060110

	July 1, 2009 to June 30, 2010	Total Costs
REVENUES		
Grant revenues	\$ -	\$ -
Total revenues	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES		
PERSONNEL COSTS		
Personnel costs	<u>\$ 43,695</u>	<u>\$ 43,695</u>
NON-PERSONNEL COSTS		
Operating costs	31,305	31,305
Equipment	<u>-</u>	<u>-</u>
Total non-personnel costs	<u>31,305</u>	<u>31,305</u>
Total expenditures	<u>\$ 75,000</u>	<u>\$ 75,000</u>

County of Glenn
Notes to Schedule of Expenditures of Federal Awards, Continued
For the year ended June 30, 2010

6. CALIFORNIA EMERGENCY MANAGEMENT AGENCY, Continued

D. CONTRACT No.: VW9010110

	July 1, 2009 to June 30, 2010	Total Costs
REVENUES		
Grant revenues	\$ 8,153	\$ 8,153
Total revenues	<u>\$ 8,153</u>	<u>\$ 8,153</u>
EXPENDITURES		
PERSONNEL COSTS		
Personnel costs	<u>\$ 8,153</u>	<u>\$ 8,153</u>
NON-PERSONNEL COSTS		
Operating costs	-	-
Equipment	<u>-</u>	<u>-</u>
Total non-personnel costs	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 8,153</u>	<u>\$ 8,153</u>

County of Glenn
Notes to Schedule of Expenditures of Federal Awards, Continued
For the year ended June 30, 2010

7. DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT

The California State Department of Community Services requires additional details of expenditures on certain grants. The following is provided to comply with the requirements.

The following represents expenditures for the Low-Income Home Energy Assistance program, CFDA No. 93.568, and Community Service Block Grant, CFDA No. 93.569, for the fiscal year ended June 30, 2010:

A. Contract No.: 09B - 5505 (WX)

	July 1, 2008 to June 30, 2009	July 1, 2009 to June 30, 2010	Total Costs
REVENUES			
Grant revenues	\$ 128,247	\$ 122,037	\$ 250,284
Interest revenues	133	73	206
Total revenues	<u>\$ 128,380</u>	<u>\$ 122,110</u>	<u>\$ 250,490</u>
EXPENDITURES			
ADMINISTRATION			
Administrative costs	<u>\$ 7,293</u>	<u>\$ 14,727</u>	<u>\$ 22,020</u>
PROGRAM OPERATIONS			
Intake	4,114	1,481	5,595
Direct program activities	192,768	37,142	229,910
Outreach	6,809	7,182	13,991
Worker's compensation	<u>1,247</u>	<u>1,653</u>	<u>2,900</u>
Total program costs	<u>204,938</u>	<u>47,458</u>	<u>252,396</u>
OTHER PROGRAM COSTS			
Training	<u>1,635</u>	<u>3,961</u>	<u>5,596</u>
Total expenditures	<u>\$ 213,866</u>	<u>\$ 66,146</u>	<u>\$ 280,012</u>

County of Glenn
Notes to Schedule of Expenditures of Federal Awards, Continued
For the year ended June 30, 2010

7. DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT, Continued

B. CONTRACT No.: 10B-5605 (WX)

	July 1, 2009 to June 30, 2010	Total Costs
REVENUES		
Grant revenues	\$ 84,054	\$ 84,054
Interest revenues	-	-
Total revenues	<u>\$ 84,054</u>	<u>\$ 84,054</u>
EXPENDITURES		
ADMINISTRATION		
Administrative	<u>\$ 4,371</u>	<u>\$ 4,371</u>
PROGRAM OPERATIONS		
Intake	1,351	1,351
Direct program activities	70,587	70,587
Outreach	101	101
Worker's compensation	1,009	1,009
Lodging and Per Diem	<u>8,978</u>	<u>8,978</u>
Total program costs	<u>82,026</u>	<u>82,026</u>
OTHER PROGRAM COSTS		
Training & technical Asst	<u>1,595</u>	<u>1,595</u>
Total other program costs	<u>1,595</u>	<u>1,595</u>
Total expenditures	<u>\$ 87,992</u>	<u>\$ 87,992</u>

County of Glenn
Notes to Schedule of Expenditures of Federal Awards, Continued
For the year ended June 30, 2010

7. DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT, Continued

C. Contract No.: 09B - 5505 (EHA)

	July 1, 2008 to <u>June 30, 2009</u>	July 1, 2009 to <u>June 30, 2010</u>	Total Costs
REVENUES			
Grant revenues	\$ 232,114	\$ 263,893	\$ 496,007
Interest revenues	<u>251</u>	<u>134</u>	<u>385</u>
Total revenues	<u>\$ 232,365</u>	<u>\$ 264,027</u>	<u>\$ 496,392</u>
EXPENDITURES			
ASSURANCE 16			
Assurance 16 costs	<u>\$ 30,222</u>	<u>\$ 36,978</u>	<u>\$ 67,200</u>
ADMINISTRATION			
Administrative costs	<u>16,919</u>	<u>25,008</u>	<u>41,927</u>
INTAKE PROGRAM			
Intake costs	<u>10,558</u>	<u>8,097</u>	<u>18,655</u>
OUTREACH PROGRAM			
Outreach costs	<u>18,891</u>	<u>27,748</u>	<u>46,639</u>
ECIP PROGRAM			
ECIP cooling services	16,980	20,115	37,095
ECIP heating services	29,791	97,564	
ECIP wood, propane & oil	123,272	41,229	164,501
HEAP wood, propane & oil	<u>12,500</u>	<u>12,175</u>	<u>24,675</u>
Total ECIP cost	<u>182,543</u>	<u>171,083</u>	<u>226,271</u>
Total expenditures	<u>\$ 259,133</u>	<u>\$ 268,914</u>	<u>\$ 400,692</u>

County of Glenn
Notes to Schedule of Expenditures of Federal Awards, Continued
For the year ended June 30, 2010

7. DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT, Continued

D. Contract No.: 10B-5605 (EHA)

	July 1, 2009 to June 30, 2010	Total Costs
REVENUES		
Grant revenues	\$ 168,027	\$ 168,027
Interest revenues	1	1
Total revenues	<u>\$ 168,028</u>	<u>\$ 168,028</u>
EXPENDITURES		
ASSURANCE 16		
Assurance 16 costs	<u>\$ 21,001</u>	<u>\$ 21,001</u>
ADMINISTRATION		
Administrative costs	<u>5,683</u>	<u>5,683</u>
INTAKE PROGRAM		
Intake costs	<u>2,738</u>	<u>2,738</u>
OUTREACH PROGRAM		
Outreach costs	<u>4,387</u>	<u>4,387</u>
ECIP PROGRAM		
ECIP cooling services	3,429	3,429
ECIP heating services	28,724	28,724
ECIP wood, propane & oil	101,500	101,500
HEAP wood, propane & oil	<u>7,500</u>	<u>7,500</u>
Total ECIP cost	<u>141,153</u>	<u>141,153</u>
Total expenditures	<u>\$ 174,962</u>	<u>\$ 174,962</u>

County of Glenn
Notes to Schedule of Expenditures of Federal Awards, Continued
For the year ended June 30, 2010

7. DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT, Continued

E. CONTRACT No.: 08F-4912 (Year 2 Funding)

	July 1, 2008 to <u>June 30, 2009</u>	July 1, 2009 to <u>June 30, 2010</u>	<u>Total Costs</u>
REVENUES			
Grant revenues	\$ 113,058	\$ 141,928	\$ 113,058
Interest revenues	37	29	37
Total revenues	<u>\$ 113,095</u>	<u>\$ 141,957</u>	<u>\$ 113,095</u>
EXPENDITURES			
ADMINISTRATION			
Salary/wages	\$ 50,955	\$ 61,854	\$ 50,955
Fringe benefits	26,994	33,025	26,994
Operating exp & equip	17,105	13,203	17,105
Out-of-State services	1,400	1,369	1,400
Other costs	13,208	15,873	13,208
Total administrative costs	<u>109,662</u>	<u>125,324</u>	<u>109,662</u>
PROGRAM			
Subcontractor services	<u>3,396</u>	<u>16,670</u>	<u>3,396</u>
Total expenditures	<u>\$ 113,058</u>	<u>\$ 141,994</u>	<u>\$ 113,058</u>

County of Glenn
Notes to Schedule of Expenditures of Federal Awards, Continued
For the year ended June 30, 2010

7. DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT, Continued

F. CONTRACT No.: 08F-4996

	July 1, 2008 to June 30, 2009	July 1, 2009 to June 30, 2010	Total Costs
REVENUES			
Grant revenues	\$ 6,973	\$ 18,027	\$ 25,000
Interest revenues	19	13	32
Total revenues	<u>\$ 6,992</u>	<u>\$ 18,040</u>	<u>\$ 25,032</u>
EXPENDITURES			
ADMINISTRATION			
Salary/wages	\$ 686	\$ 258	\$ 944
Fringe benefits	389	146	535
Other costs	221	301	522
Total administrative costs	<u>1,296</u>	<u>704</u>	<u>2,000</u>
PROGRAM			
Salary/wages	1,230	3,171	4,401
Fringe benefits	1,002	2,584	3,586
Operating exp & equip	35	55	90
Subcontractor services	3,000	10,500	13,500
Other costs	410	1,044	1,454
Total program costs	<u>5,677</u>	<u>17,355</u>	<u>23,032</u>
Total expenditures	<u>\$ 6,973</u>	<u>\$ 18,059</u>	<u>\$ 25,032</u>

County of Glenn
Notes to Schedule of Expenditures of Federal Awards, Continued
For the year ended June 30, 2010

7. DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT, Continued

G. CONTRACT No.: 09F-5005

	July 1, 2008 to June 30, 2009	July 1, 2009 to June 30, 2010	Total Costs
REVENUES			
Grant revenues	\$ 8,596	\$ 21,304	\$ 29,900
Total revenues	<u>\$ 8,596</u>	<u>\$ 21,304</u>	<u>\$ 29,900</u>
EXPENDITURES			
ADMINISTRATION			
Salary/wages	\$ 499	\$ 207	\$ 706
Fringe benefits	362	150	512
Other costs	313	253	566
Total administrative costs	<u>1,174</u>	<u>611</u>	<u>1,785</u>
PROGRAM			
Salary/wages	3,116	2,131	5,247
Fringe benefits	1,842	1,260	3,102
Operating exp & equip	11,586	6,177	17,763
Other costs	1,174	829	2,003
Total program costs	<u>17,718</u>	<u>10,397</u>	<u>28,115</u>
Total expenditures	<u>\$ 18,892</u>	<u>\$ 11,008</u>	<u>\$ 29,900</u>

County of Glenn
Notes to Schedule of Expenditures of Federal Awards, Continued
For the year ended June 30, 2010

7. DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT, Continued

H. CONTRACT No.: 10F-4012

	July 1, 2009 to June 30, 2010	Total Costs
REVENUES		
Grant revenues	\$ 62,261	\$ 62,261
Interest revenues	3	3
Total revenues	<u>\$ 62,264</u>	<u>\$ 62,264</u>
EXPENDITURES		
ADMINISTRATION		
Salary/wages	\$ 22,215	\$ 22,215
Fringe benefits	12,107	12,107
Operating exp & equip	12,156	12,156
Out of state services	1,065	1,065
Other costs	8,497	8,497
Total administrative costs	<u>56,040</u>	<u>56,040</u>
PROGRAM		
Subcontractor Services	<u>6,221</u>	<u>6,221</u>
Total expenditures	<u>\$ 62,261</u>	<u>\$ 62,261</u>

County of Glenn
Notes to Schedule of Expenditures of Federal Awards, Continued
For the year ended June 30, 2010

7. DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT, Continued

I. CONTRACT No.: 09F-5112

	July 1, 2009 to June 30, 2010	Total Costs
REVENUES		
Grant revenues	\$ 97,121	\$ 97,121
Interest revenues	-	-
Total revenues	<u>\$ 97,121</u>	<u>\$ 97,121</u>
EXPENDITURES		
ADMINISTRATION		
Salary/wages	\$ 2,611	\$ 2,611
Fringe benefits	1,044	1,044
Other costs	973	973
Total administrative costs	<u>4,628</u>	<u>4,628</u>
PROGRAM		
Salary/wages	10,530	10,530
Fringe benefits	4,148	4,148
Operating exp & equip	38,954	38,954
Subcontractor services	34,904	34,904
Other costs	2,554	2,554
Total program costs	<u>91,090</u>	<u>91,090</u>
Total expenditures	<u>\$ 95,718</u>	<u>\$ 95,718</u>

County of Glenn
Notes to Schedule of Expenditures of Federal Awards, Continued
For the year ended June 30, 2010

7. DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT, Continued

J. CONTRACT No.: 09F-5183

	July 1, 2009 to June 30, 2010	Total Costs
REVENUES		
Grant revenues	\$ 18,702	\$ 18,702
Interest revenues	-	-
Total revenues	<u>\$ 18,702</u>	<u>\$ 18,702</u>
EXPENDITURES		
ADMINISTRATION		
Salary/Wages	\$ 657	\$ 657
Fringe Benefits	406	406
Other Cost	416	416
Total Administrative costs	<u>1,479</u>	<u>1,479</u>
PROGRAM OPERATIONS		
Salary/Wages	2,797	2,797
Fringe Benefits	1,855	1,855
Operating Exp & Equip	53	53
Subcontractor Services	11,289	11,289
Other Cost	1,229	1,229
Total program costs	<u>17,223</u>	<u>17,223</u>
Total expenditures	<u>\$ 18,702</u>	<u>\$ 18,702</u>

County of Glenn
Schedule of Findings and Questioned Costs
For the year ended June 30, 2010

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expressed an unqualified opinion on the basic financial statements of the County.
2. Two material weaknesses and two significant deficiencies in internal control over financial reporting were identified and reported in Part B of this schedule below.
3. One instance of noncompliance material to the basic financial statements of the County was disclosed during the audit.
4. No material weaknesses in internal control over compliance of the major federal award programs were identified or reported.
5. No significant deficiencies in internal control over compliance of the major federal award programs were reported.
6. The auditors' report on compliance for the major federal award programs for the County expressed an unqualified opinion.
7. Audit findings required to be reported in accordance with section 510(a) of OMB Circular A-133 are reported in Part C of this schedule below.
8. The programs tested as major programs include:

Major Program	CFDA No.	Expenditures
ARRA - WIC Grants to States	10.578	\$ 646,968
Temporary Assistance For Needy Families	93.558	4,961,630
ARRA - Emergency Contingency Fund for Temporary Assistance	93.714	526,221
Subtotal		5,487,851
Child Support Enforcement	93.563	379,773
ARRA - Child Support Enforcement	93.563	89,448
Subtotal		469,221
Foster Care - Title IV-E	93.658	1,173,084
ARRA - Foster Care - Title IV-E	93.658	33,166
Subtotal		1,206,250
Adoption Assistance - Title IV - E	93.659	376,258
ARRA - Adoption Assistance - Title IV - E	93.659	42,366
Subtotal		418,624

(Continued)

County of Glenn
Schedule of Findings and Questioned Costs
For the year ended June 30, 2010

A. SUMMARY OF AUDIT RESULTS, Continued

8. The program tested as major programs include, Continued:

Major Program	CFDA No.	Expenditures
Medical Assistance Program (Medicaid; Title XIX)	93.778	\$ 801,075.00
Block Grants For Prevention and Treatment of Substance Abuse	93.959	482,106
Total Major Program Expenditures		\$ 9,512,095
Total Expenditures of Federal Awards		\$ 15,000,283
Percent of Total Expenditures of Federal Award		63%

9. The threshold for distinguishing Types A and B programs was \$450,008.

10. The County was determined to be a high-risk auditee under Section 530 of OMB Circular A-133.

County of Glenn
Schedule of Findings and Questioned Costs, Continued
For the year ended June 30, 2010

B. CURRENT YEAR FINDINGS - FINANCIAL STATEMENTS AUDIT

2010-01 Internal Controls over Financial Reporting

Criteria:

An effective internal control system provides reasonable assurance for the completeness of accounting record and proper year end closing.

Condition:

During our audit, we noted the County made the following material prior period adjustments.

- (1) \$623,386 of adjustment was made to remove fully depreciated equipments and related accumulated depreciation that were disposed of as of June 30, 2009, but were not removed from the book.
- (2) \$527,151 of adjustment was made to correct accumulated depreciation after a detail review of depreciation schedule for governmental activities.
- (3) Construction in progress and infrastructure were adjusted to reflect \$183,201 additions to construction in progress that should have been added in fiscal year ended June 30, 2009, and to capitalize the 2009 completed projects in amount of \$669,985 to infrastructure.
- (3) The County erroneously recognized \$717,952 Prop 1A revenue in the General Fund during fiscal year June 30, 2009, resulting in an overstatement of Fund Balance/Net Assets. The amount should have been recognized in fiscal year ended June 30, 2010.
- (4) During our testing of other post-employment benefit liabilities, we noted the County made a prior period adjustment to Governmental Activities in amount of \$581,341 to recognize benefit payment made in 2009 and to reduce other post-employment benefit liabilities.

Cause:

The misstatement in prior year's financial statements was due to 1) lack of communication between the departments, 2) lack of review and reconciliation of detail account ledger to general ledger, and 3) lack of understanding of the GASB 45 reporting and disclosure requirements. In addition, the County's Finance Department was short-staffed and there is a shortage of qualified accounting personnel.

Effect:

Governmental Activities beginning net assets were restated as of July 1, 2009.

Recommendation:

We recommended that the County improve its policy and procedures in reviewing account detail ledger with help from necessary departments to capture all activities occurs during the year and reconcile the detail ledger on a more timely basis to general ledger to prevent errors. We also recommended that the County keep up to date with current accounting pronouncements and hire more accounting personnel.

County of Glenn
Schedule of Findings and Questioned Costs, Continued
For the year ended June 30, 2010

B. CURRENT YEAR FINDINGS - FINANCIAL STATEMENTS AUDIT

2010-01 Internal Controls over Financial Reporting, Continued

Corrective Action Plan:

The County concurs with the finding and will implement the recommendations of the external auditors. The responsible person for the management action plan is Stanley T. Rozmaryn, Director of Finance, and the expected implementation date is August 2011.

County of Glenn
Schedule of Findings and Questioned Costs, Continued
For the year ended June 30, 2010

B. CURRENT YEAR FINDINGS - FINANCIAL STATEMENTS AUDIT, CONTINUED

2010-02 Internal Controls over Financial Closing and Reporting

Criteria:

An effective internal control system on timely financial closing and reporting provides reasonable assurance for the reliability of financial information and the compliance with laws and regulations.

Condition:

During our testing of the financial reporting process, we noted that the County did not timely complete the basic financial statements within six months after year end. The June 30, 2010 basic financial statements were issued in August 15 2011, fourteen months after year closing.

Cause:

The County does not have enough staff to timely meet the financial reporting deadline. As a result, the County had delays in the financial reporting process for two consecutive years.

Effect:

The finding was noted as a result of examining the County's internal control process on financial reporting. The County has not been able to finalize the financial statements within six months after year end for two consecutive years. Consequently, the County was not able to complete its Single Audit reporting timely.

Recommendation:

We recommended the County review its financial reporting process. It is in the County's best interest to closely monitor its accounting process to ensure that the financial position and operating results are accurately and timely reported.

Management Response/Corrective Action Plan:

The County concurs with the finding and will implement the recommendations of the external auditors. The responsible person for the management action plan is Stanley T. Rozmaryn, Director of Finance, and the expected implementation date is August 2011.

County of Glenn
Schedule of Findings and Questioned Costs, Continued
For the year ended June 30, 2010

B. CURRENT YEAR FINDINGS - FINANCIAL STATEMENTS AUDIT, CONTINUED

2010-03 Internal Controls over Financial Reporting on Accounts Receivables and Accrued Liabilities

Criteria:

An effective internal control system over financial reporting on accounts receivables and accrued liabilities provides reasonable assurance on proper cut off and completeness of accounting periods. Pursuant to the County's Significant Accounting Policies in Note 1 C to the basic financial statements, the government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Governmental fund financial statements are reported using modified accrual basis of accounting where revenues are recognized as soon as they are both measurable and available and expenditures generally are recorded when a liability is incurred.

Condition:

During our testing of receivables, we noted the County does not maintain detail listing for all accounts receivables. In addition, , we noted the County does not accrue vendor invoices received after July, even if the expenditure was incurred during the fiscal year during our testing of search for unrecorded liabilities. As a result, we noted \$177,936 unrecorded liabilities as of June 30, 2010.

Cause:

The County does not utilize accounting software to keep track of all receivable nor have enough staff to compile the detail receivable schedules. Furthermore, the County's practice is to not accrue invoices subsequent to July after year end, disregard the dollar amount.

Effect:

Receivable accounts are maintained in the general ledger only. There are no sub-ledgers or detail receivable schedules for all receivables accounts. In addition, accrued liabilities were understated by \$177,936 for governmental activities and were not prevented or detected by the County.

Recommendation:

We recommend the County implement policies and procedures to maintain detail receivable ledgers to keep track of all outstanding receivable balances. We also recommend that the County review its policy for establishing a cut off date for accounts payables and accrued liabilities and consider if they allow enough time to pass before cut-off such that all material items are captured in accordance with its Significant Accounting Policies.

County of Glenn
Schedule of Findings and Questioned Costs, Continued
For the year ended June 30, 2010

B. CURRENT YEAR FINDINGS - FINANCIAL STATEMENTS AUDIT, CONTINUED

2010-03 Internal Controls over Financial Reporting on Accounts Receivables and Accrued Liabilities

Management Response/Corrective Action Plan:

We concur with the finding to maintain detail receivable ledgers, however we believe that the current cutoff policy is adequate and consistent with other counties in California. We believe that amounts not booked within the July accrual process are immaterial. However, we acknowledge the specific finding by the external auditors of \$177,936 and will further consider our policy in light of this finding and the possibility that downsizing of accounting departments in the commercial and government sectors could delay our receipt of relevant information within the July accrual period. The responsible person for the management action plan is Stanley T. Rozmaryn, Director of Finance, and the expected implementation date is for fiscal year 2010-11 audit.

County of Glenn
Schedule of Findings and Questioned Costs, Continued
For the year ended June 30, 2010

B. CURRENT YEAR FINDINGS - FINANCIAL STATEMENTS AUDIT, CONTINUED

2010-04 Report Submission

Criteria:

OMB Circular A-133, Subpart C, §___.320 requires that the audit shall be completed and the data collection form and reporting package shall be submitted within the earlier of 30 days after receipt of the auditor's report(s), or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audit.

Condition:

The County did not submit the Single Audit report and data collection form within nine months of its fiscal year end.

Cause:

There was a significant delay in financial reporting (see finding 2010-02 Internal Control over Financial Closing and Reporting). The annual required audit was not completed until August 15, 2011.

Effect:

The County's Single Audit report was not issued within nine months of its fiscal year end and did not meet the established filing requirements under *OMB Circular A-133*.

Questioned Cost:

No questioned costs were noted for noncompliance of late report filing.

Recommendation:

We recommend the County work closely with external auditors to coordinate their efforts such that each have adequate time and resources available to ensure a timely filing of the County's basic financial statements along with the Single Audit report and data collection form in order to be in compliance with *OMB Circular A-133*.

Management Response/Corrective Action Plan:

The County concurs with the finding and will implement the recommendations of the external auditors. The responsible person for the management action plan is Stanley T. Rozmaryn, Director of Finance, and the expected implementation date is for fiscal year 2010-11 audit.

County of Glenn
Schedule of Findings and Questioned Costs, Continued
For the year ended June 30, 2010

C. CURRENT YEAR FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

No findings or questioned costs were noted for the year ended June 30, 2010.

D. PRIOR YEAR FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

No findings or questioned costs were noted for the year ended June 30, 2009.