COUNTY OF NEVADA

SINGLE AUDIT REPORT

JUNE 30, 2006

COUNTY OF NEVADA

Single Audit Report
For the Year Ended June 30, 2006

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BARTIG, BASLER & RAY, LLP
A GALLINA LLP COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

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 Nevada
Nevada City, 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 Nevada, as of and for the year ended June 30, 2006, which collectively comprise the County's basic financial statements and have issued our report thereon dated November 9, 2006. 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 Nevada's 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. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Nevada's financial statements are free of material misstatement, we performed tests of its compliance with certain

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Compliance and Other Matters (continued)
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 audit committee, management, Board of Supervisors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

BARTIG, BASLER & RAY, LLP
A Gallina LLP Company

Bartig Basler & Ray, LLP

Roseville, California
November 9, 2006

BARTIG, BASLER & RAY, LLP
A GALLINA LLP COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

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 Nevada
Nevada City, California

Compliance

We have audited the compliance of the County of Nevada, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2006. The County of Nevada'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, regulation, contracts, and grants applicable to each of its major federal programs is the responsibility of the County of Nevada's management. Our responsibility is to express an opinion on the County of Nevada'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 of Nevada'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 of Nevada's compliance with those requirements.

In our opinion, the County of Nevada 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, 2006. The results of our auditing procedures also disclosed other instances of noncompliance with those requirements which are required to be reported in accordance with

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Compliance (continued)
OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 06-1.

Internal Control Over Compliance
The management of the County of Nevada 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 of Nevada'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 the internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the County of Nevada's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. Reportable conditions noted are described in the accompanying schedule of findings and questioned costs as item 06-1.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable condition described above is not a material weakness. We also noted other matters involving internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs which we have reported to management in a separate letter dated November 9, 2006.

Schedule of Expenditures of Federal Awards
We have audited the financial statements of the governmental activities, and business-type activities, each major fund, and the aggregate remaining fund information of the County of Nevada as of and for the year ended June 30, 2006, and have issued our report thereon dated November 9, 2006. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The

Schedule of Expenditures of Federal Awards (continued)
accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

BARTIG, BASLER & RAY, LLP
A Gallina LLP Company

Bartig, Basler & Ray, LLP

Roseville, California
November 9, 2006

COUNTY OF NEVADA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
U.S. Department of Agriculture			
Direct:			
Housing Preservation Grant	10.433	04 Section 533	$ 49,489
Housing Preservation Grant	10.433	05 Section 533	8,694
Subtotal Direct			58,183
Passed through State Department of Social Services:			
Food Stamps	10.551 *	--	2,784,944
State Administrative Matching Grants for Food Stamp Program	10.561 *	--	407,154
Subtotal *Food Stamp Cluster*			3,192,098
Passed through State Department of Health Services:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	--	367,541
Passed through State Department of Education:			
School Breakfast Program	10.553	--	11,799
National School Lunch Program	10.555	--	18,196
Subtotal *Child Nutrition Cluster*			29,995
Passed through State Controller's Office:			
Schools and Roads - Grants to States	10.665	--	155,161
Total U.S. Department of Agriculture			$ 3,802,978
U.S. Department of Defense			
Direct Program:			
Payments to States in Lieu of Real Estate Taxes	12.112	--	40,860
Total U.S. Department of Defense			$ 40,860
U.S. Department of Justice			
Direct Program:			
Local Law Enforcement Block Grant	16.592	--	18,796
Subtotal Direct			18,796

* Major Program

COUNTY OF NEVADA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
U.S. Department of Justice (continued)			
Passed through State Office of Emergency Services:			
Elder Abuse Advocacy & Outreach (VOCA)	16.575	EA05060290	$ 65,921
Elder Abuse Advocacy & Outreach (Bryn)	16.575	EA04050290	6,479
Victim Witness Assistance	16.575	VW05190290	52,031
Elder Abuse Advocacy & Outreach (VOCA)	16.575	EA04050290	24,485
Subtotal CFDA 16.575			148,916
Anti-Drug Enforcement	16.579	DC05160290	192,195
Violence Against Women Vertical Prosecution	16.588	VV04060290	37,984
Violence Against Women Vertical Prosecution	16.588	VV05010290	44,856
Subtotal CFDA 16.588			82,840
Subtotal Pass Through			423,951
Passed through State Department of Corrections and Rehabilitation:			
Juvenile Accountability Block Grant Set-Aside	16.523	CSA 110-05	28,017
Subtotal Pass Through			28,017
Total U.S. Department of Justice			$ 470,764
Department of Housing and Urban Development			
Passed through State Department of Housing and Community Development:			
Community Development Block Grants/State's Program	14.228	03-STBG-1842	209,709
Community Development Block Grants/State's Program	14.228	04-EDBG-1029	147,687
Community Development Block Grants/State's Program	14.228	05-STBG-1577	6,405
Subtotal CFDA 14.228			363,801
Community Development Block Grants/Technical Assistance Program	14.227	04-PTAA-0790	35,000
Community Development Block Grants/Technical Assistance Program	14.227	03-PTAA-0046	50,513
Subtotal CFDA 14.227			85,513

* Major Program

COUNTY OF NEVADA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
Department of Housing and Urban Development (continued)			
Passed through State Department of Housing and Community Development (continued):			
HOME Investment Partnerships Program	14.239 *	04-HOME-0747	$ 494,317
Housing Opportunities for Persons with Aids	14.241	--	25,582
Section 8 Housing Choice Vouchers	14.871 *	--	1,436,319
Subtotal			1,956,218
Total Department of Housing and Urban Development			$ 2,405,532
U.S. Department of Transportation			
Direct Program:			
Automated Weather Observation System	20.106	DTFA08-02-C-31256	135,657
Subtotal Direct			135,657
Passed through State Department of Transportation:			
Highway Planning and Construction	20.205	BRLO-5917(019)	99,701
Highway Planning and Construction	20.205	BRLO-5917(030)	37,179
Highway Planning and Construction	20.205	BRLOZA-5917(031)	190
Highway Planning and Construction	20.205	BHLO-5917(037)	137,376
Highway Planning and Construction	20.205	BHLO-5917(040)	37,365
Highway Planning and Construction	20.205	STPLH-5917(034)	104,358
Highway Planning and Construction	20.205	STPLH-5917(042)	42,425
Highway Planning and Construction	20.205	STPLER-5917(041)	33,492
Subtotal CFDA 20.205			492,086
(FTA) Section 5311(f) Capital Assistance Program	20.509	Standard Agrmt 6454	415,000
(FTA) Section 5311 Operating Assistance Program	20.509	Standard Agrmt 6454	133,634
Subtotal Pass Through			548,634
Total U.S. Department of Transportation			$ 1,176,377
General Services Administration			
Passed through the Secretary of State:			
Help American Vote Election Reform	39.011	--	10,839
Total General Services Administration			$ 10,839

* Major Program

COUNTY OF NEVADA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
U.S. National Foundation on the Arts and the Humanities			
Passed through California State Library:			
Public Library Staff Education	45.310	--	$ 2,507
Total U.S. National Foundation on the Arts and the Humanities			$ 2,507
U.S. Department of Energy			
Passed through State Department of Community Services and Development:			
Weatherization Assistance For Low-Income Persons	81.042	05C-1573	26,561
Weatherization Assistance For Low-Income Persons	81.042	06C-1623	15,675
Total U.S. Department of Energy			$ 42,236
U.S. Department of Health and Human Services			
Passed through State Department of Community Services and Development:			
Community Services Block Grant	93.569	05F-4627	69,114
Community Services Block Grant	93.569	06F-4731	100,296
Subtotal CFDA 93.569			169,410
Low Income Home Energy Assistance	93.568	05C-5325 (WX)	115,576
Low Income Home Energy Assistance	93.568	06B-5376 (WX)	51,599
ECIP/HEAP	93.568	05B5325	120,392
ECIP/HEAP	93.568	06C-5376	37,575
Subtotal CFDA 93.568			325,142
Passed through State Department of Social Services:			
Foster Care - Title IV-E	93.658	--	1,450,118
Foster Care Title IV-E Admin Funds	93.658	--	280,745
Subtotal CFDA 93.658			1,730,863
Promoting Safe and Stable Families	93.556	--	102,102
Temporary Assistance for Needy Families	93.558 *	--	3,890,416
Child Welfare Services - State Grant	93.645	--	27,081

* Major Program

COUNTY OF NEVADA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
U.S. Department of Health and Human Services (continued)			
Passed through State Department of Social Services (continued):			
Adoption Assistance	93.659 *	--	$ 555,957
Chafee Foster Care Independent Living	93.674	--	46,476
Subtotal Pass Through			6,352,895
Passed through State Child Support Department:			
Child Support Enforcement	93.563	--	2,502,481
Passed through State Department of Alcohol and Drug Programs:			
Block Grant for Prevention and Treatment of Substance Abuse	93.959	--	757,886
Passed through State Department of Health Services:			
Medical Assistance Program	93.778 *	--	2,182,659
Medi-Cal Targeted Case Management	93.778 *		16,460
California Children's Services Administration	93.778 *	--	105,466
California Children's Services Health Care Program for Children in Foster Care (HCPCFC)	93.778 *	--	31,097
Child Health and Disability Prevention (CHDP) Program	93.778 *	--	89,685
Subtotal CFDA 93.778			2,425,367
Child Welfare Services Title XX	93.667	--	46,110
In Home Supportive Services	93.667	--	346,968
Subtotal CFDA 93.667			393,078
Childhood Lead Poisoning Prevention Projects	93.197	--	10,141
Immunization Grants	93.268	--	24,150
Local Public Health Preparedness & Response to Bioterrorism Program	93.996	--	284,511
Title II Ryan White Care Act	93.917	--	75,517

* Major Program

COUNTY OF NEVADA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
U.S. Department of Health and Human Services (continued)			
Passed through State Department of Health Services (continued):			
Maternal and Child Health Services Block Grant to the States	93.994	--	$ 143,110
Subtotal			537,429
Subtotal Pass Through			3,355,874
Passed through California Family Health Council, Inc.:			
Title X Basic Contraceptive Services (BCS) Family Planning	93.217	--	76,750
Title X Youth Health Initiative Program	93.217	--	32,686
Subtotal Through			109,436
Passed through State Department of Aging:			
Special Programs for Aging - Title III B	93.044	78-09-29-06	67,742
Passed through State Department of Mental Health Services:			
Block Grants for Community Mental Health Services	93.958	--	83,191
Total Department of Health and Human Services			$ 13,724,057
U.S. Department of Homeland Security			
Passed through State Office of Emergency Services:			
04 Homeland Security Grant Program	97.004	--	218,581
FY 05 Homeland Security Grant Program	97.000	--	98,597
Statewide Multi-Hazard Mitigation Plan	97.000	--	25,000
06 Emergency Management Program Grant	97.042	--	48,918
Total U.S. Department of Homeland Security			$ 391,096
Total Expenditures of Federal Awards			$ 22,067,246

* Major Program

COUNTY OF NEVADA

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2006

Note 1: **Reporting Entity**

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

Note 2: **Basis of Accounting**

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

Note 3: **Relationship to Financial Statements**

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

Note 4: **Subrecipients**

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

Federal CFDA	Subrecipient	Amount
14.228	Sierra Economic Development District	$ 10,687
10.665	Nevada County Fire Safe Council	86,922
10.665	Sierra Watershed Education Partnerships	10,000
10.665	Nevada County Superintendent of Schools	18,000
10.665	Nevada County Land Trust	747
93.674	Nevada County Superintendent of Schools	84,362
93.556	Child Advocates of Nevada County	11,604
93.569	Different Nonprofit Organizations	56,188
	Total	$ 278,510

Note 5: **Loans Outstanding**

The following programs had federally-funded loans outstanding at June 30, 2006:

Federal CFDA	Program Title	Amount Outstanding
14.228	Community Development Block Grant/State's Program	$ 170,685

Note 6: **Program Clusters**

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

Federal CFDA	Program Title	Federal Expenditures
Food Stamp Cluster:		
10.551	Food Stamps	$ 2,784,944
10.561	State Administrative Matching Grants for Food Stamp Program	407,154
	Total	$ 3,192,098
Child Nutrition Cluster		
10.553	School Breakfast Program	$ 11,799
10.555	National School Lunch Program	18,196
	Total	$ 29,995

Note 7: **Pass-Through Entities' Identifying Number**

When federal awards were received from a pass-through entity, the Schedule of Expenditures of Federal Awards shows, if available, the identifying number assigned by the pass-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 8: **Department of Aging Federal/State Share**

Beginning with the fiscal year ended June 30, 2006, the California Department of Aging (CDA) requires agencies who receive CDA funding to display state-funded expenditures discretely along with federal expenditures. The County expended the following state and federal amounts under these grants:

CFDA	Federal Expenditures	State Expenditures
93.044	$ 67 742	$ - 0 -

Note 9: **California Office of Emergency Services Programs**

The following represents expenditures for Office of Emergency Services (OES) programs for the year ended June 30, 2006. The amount reported in the Schedule of Expenditures of Federal Awards is determined by calculating the federal portion of the current year expenditures.

	Expenditures Claimed			Share of Expenditures Current Year		
Program	For the Period Through June 30, 2005	For the Year Ended June 30, 2006	Cumulative As of June 30, 2006	Federal Share	State Share	County Share
EA04050290 - Elder Abuse Advocacy & Outreach (Byrne)						
Personal services	$ --	$ --	$ --	$ --	$ --	$ --
Operating expenses	13,893	3,902	17,795	3,902	--	--
Equipment	--	2,577	2,577	2,577	--	--
Totals	$ 13,893	$ 6,479	$ 20,372	$ 6,479	$ --	$ --
EA04050290 - Elder Abuse Advocacy & Outreach (VOCA)						
Personal services	$ 48,919	$ 23,448	$ 72,367	$ 18,758	$ --	$ 4,690
Operating expenses	1,163	7,159	8,322	5,727	--	1,432
Equipment	--	--	--	--	--	--
Totals	$ 50,082	$ 30,607	$ 80,689	$ 24,485	$ --	$ 6,122
EA05060290 - Elder Abuse Advocacy & Outreach (VOCA)						
Personal services	$ --	$ 46,454	$ 46,454	$ 36,109	$ --	$ 10,345
Operating expenses	--	39,647	39,647	29,812	--	9,835
Equipment	--	--	--	--	--	--
Totals	$ --	$ 86,101	$ 86,101	$ 65,921	$ --	$ 20,180
VW05190290 - Victim Witness Assistance						
Personal services	$ --	$ 120,405	$ 120,405	$ 52,031	$ 68,374	$ --
Operating expenses	--	--	--	--	--	--
Equipment	--	--	--	--	--	--
Totals	$ --	$ 120,405	$ 120,405	$ 52,031	$ 68,374	$ --
VB05030290 - Statutory Rape Vertical Prosecution						
Personal services	$ --	$ 43,596	$ 43,596	$ --	$ 43,596	$ --
Operating expenses	--	4,281	4,281	--	4,281	--
Equipment	--	--	--	--	--	--
Totals	$ --	$ 47,877	$ 47,877	$ --	$ 47,877	$ --

Note 9: **California Office of Emergency Services/Office of Criminal Justice Planning Grants** (continued)

Program	Expenditures Claimed: For the Period Through June 30, 2005	Expenditures Claimed: For the Year Ended June 30, 2006	Expenditures Claimed: Cumulative As of June 30, 2006	Share of Expenditures Current Year: Federal Share	Share of Expenditures Current Year: State Share	Share of Expenditures Current Year: County Share
VV04060290 - Violence Against Women						
Personal services	$ 99,549	$ 49,386	$ 148,935	$ 37,039	$ --	$ 12,347
Operating expenses	1,741	1,260	3,001	945	--	315
Equipment	--	--	--	--	--	--
Totals	$ 101,290	$ 50,646	$ 151,936	$ 37,984	$ --	$ 12,662
VV05010290 - Violence Against Women						
Personal services	$ --	$ 56,096	$ 56,096	$ 42,072	$ --	$ 14,024
Operating expenses	--	3,712	3,712	2,784	--	928
Equipment	--	--	--	--	--	--
Totals	$ --	$ 59,808	$ 59,808	$ 44,856	$ --	$ 14,952
DC05160290 - Anti-Drug Enforcement						
Personal services	$ --	$ 120,090	$ 120,090	$ 120,090	$ --	$ --
Operating expenses	--	72,105	72,105	72,105	--	--
Equipment	--	--	--	--	--	--
Totals	$ --	$ 192,195	$ 192,195	$ 192,195	$ --	$ --

Note 10: **California Department of Corrections and Rehabilitation Programs**

The following represents expenditures for the California Department of Corrections and Rehabilitation programs for the year ended June 30, 2006. The amount reported in the Expenditures of Schedule of Federal Awards is determined by calculating the federal portion of the current year expenditures.

Program	Expenditures Claimed: For the Period Through June 30, 2005	Expenditures Claimed: For the Year Ended June 30, 2006	Expenditures Claimed: Cumulative As of June 30, 2006	Share of Expenditures Current Year: Federal Share	Share of Expenditures Current Year: State Share	Share of Expenditures Current Year: County Share
CSA 110-05 - Juvenile Accountability Block Grant Set-Aside						
Salaries and Benefits	$ --	$ 14,427	$ 14,427	$ 14,427	$ --	$ --
Services and Supplies	--	10,271	10,271	10,271	--	--
Professional Services	--	--	--	--	--	--
CBO Contracts	--	11,545	11,545	--	--	11,545
Administrative Overhead	--	1,400	1,400	1,400	--	--
Equipment - Fixed Assets	--	1,919	1,919	1,919	--	--
Totals	$ --	$ 39,562	$ 39,562	$ 28,017	$ --	$ 11,545

COUNTY OF NEVADA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2006

Section 1

Financial Statements	Summary of Auditor's Results
1. Type of auditor's report issued:	Unqualified
2. Internal controls over financial reporting:	
a. Material weaknesses identified?	No
b. Reportable conditions 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. Reportable conditions identified not considered to be material weaknesses?	Yes
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)?	Yes

4. Identification of major programs:

CFDA Number	Name of Federal Program
10.551	Food Stamps
10.561	State Administrative Matching Grants for Food Stamps Program
14.239	Home Investment Partnership Act
14.871	Section 8 Housing Choice Vouchers
93.558	Temporary Assistance for Needy Families
93.659	Adoption Assistance Program
93.778	Medical Assistance Program

COUNTY OF NEVADA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2006

Section 1

Federal Awards	Summary of Auditor's Results
5. Dollar Threshold used to distinguish between Type A and Type B programs?	$ 662,017
6. Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 530?	No

Section 2

Financial Statement Findings

None Reported

Section 3

Federal Award Findings and Questioned Costs

CFDA 93.659	Finding 06-1

Program	Findings/Noncompliance
Finding 06-1 CFDA 93.659 Adoption Assistance Award No. n/a Year: 05/06	*Federal Agency: U.S. Department of Health and Human Services* *Pass Through Entity: California Department of Social Services* *Compliance Requirement: Eligibility* *Reporting Requirement: Reportable Condition; Material Noncompliance In Relation to a Compliance Supplement Audit Objective*

Criteria

Federal Adoption Assistance cannot be paid unless federal eligibility is present. Generally, for federal eligibility, a child must be within specified income categories, be a child with certain "special needs," be unable to be adopted without Adoption Assistance, and have the adoption assistance agreement in place before the adoption decree is entered. Title 22 California Code of Regulations §35331(a) requires that the determination of the child's eligibility for adoption assistance be documented in the case record on the Eligibility Certification - Adoption Assistance Program form (the AAP-4). Previous to the use of the AAP-4, a form F9 was used to document a child's eligibility for Adoption Assistance.

Condition

We tested eligibility for twenty-four Adoption Assistance cases. Included in our sample were only federally-funded Adoption Assistance cases. The AAP-4 was not present in two cases.

Questioned Costs

No costs are questioned. Both these cases were eligible for federal Adoption Assistance. The problem was that their eligibility was not properly documented, as required, on the AAP-4.

Effect of the Condition

The effect is Federal Adoption Assistance benefits might be paid on behalf of a child when a child is only eligible for state-funded Adoption Assistance.

Program	Findings/Noncompliance
Finding 06-1 CFDA 93.659 (continued)	Recommendation We recommend that the County instruct its eligibility staff to make sure a properly-executed AAP-4 is contained in the case file before approving federal Adoption Assistance. When any case is identified which does not have an AAP-4, we recommend that a supervisor review the case file to make sure that the aid code for the case is correct. Corrective Action Plan Eligibility staff has been instructed to verify that a properly executed AAP-4 is contained in the file before approving federal adoption assistance. We will also develop a document check list to be inserted on the front, right-hand side of the case files so that documents can be verified and dated on the checklist for supervisor review. With regard to the two cases with missing documents, we reviewed these files, and had State Adoptions fax us the approved AAP-4s. Those case files are now complete. The above actions have already been taken, and the checklist will be completed immediately. The contact person for this corrective action plan is Margaret Duffy, CPS Supervisor, (530) 265-1677, duffym@cws.state.ca.us

COUNTY OF NEVADA

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2006

Audit Reference Number	Status of Prior Year Audit Findings
Finding 05-1 Temporary Assistance for Needy Families CFDA 93.558	Recommendation We recommend that the County review its current system of ensuring that the sixty-month, time-on-aid limit is not exceeded and determine whether or not training and/or a revision to the system should be implemented. Status Finding Corrected. During current year testing, we noted one exception in testing the sixty-month, time-on-aid requirement. We determined that this exception did not require reporting under OMB A-133.
Finding 05-2 Temporary Assistance for Needy Families CFDA 93.558	Recommendation We recommend that a checklist and/or review process be implemented to see that birth certificates are received for all applicants for Temporary Assistance for Needy Families. Status Finding Corrected.

SUPPLEMENTAL STATEMENTS
OF REVENUE AND EXPENDITURE

COUNTY OF NEVADA

Supplemental Statement of Revenue and Expenditures
CSD Contract No. 05F-4627 (CSBG - $173,556)
For The Period January 1, 2005 through December 31, 2005

	January 1, 2005 through June 30, 2005	July 1, 2005 through December 31, 2005	Totals
Revenue			
Grant revenue	$ 105,974	$ 67,582	$ 173,556
Total Revenue	$ 105,974	$ 67,582	$ 173,556
Expenditures			
Administrative Costs:			
Salaries and wages	$ 43,675	$ 28,951	$ 72,626
Fringe benefits	12,666	8,393	21,059
Travel	1,440	1,700	3,140
Space	5,001	4,999	10,000
Consumable supplies	3,000	3,000	6,000
Other Costs	6,954	6,953	13,907
Subtotal Administrative Costs	72,736	53,996	126,732
Program Costs:			
Sub-contractor's-Non Profits	31,706	15,118	46,824
Subtotal Program Costs	31,706	15,118	46,824
Total Expenditures	$ 104,442	$ 69,114	$ 173,556

COUNTY OF NEVADA

Supplemental Statement of Revenue and Expenditures
CSD Contract No. 06F-4731 (CSBG - $173,556)
For The Period January 1, 2006 through December 31, 2006

	January 1, 2006 through June 30, 2006	July 1, 2006 through December 31, 2006	Totals
Revenue			
Grant revenue	$ 100,296	$ --	$ 100,296
Total Revenue	$ 100,296	$ --	$ 100,296
Expenditures			
Administrative Costs:			
Salaries and wages	$ 36,005	$ --	$ 36,005
Fringe benefits	18,977	--	18,977
Operating Expenses and Equipment	15,427	--	15,427
Subtotal Administrative Costs	70,409	--	70,409
Program Costs:			
Subcontractor--Non profits	29,887	--	29,887
Subtotal Program Costs	29,887	--	29,887
Total Expenditures	$ 100,296	$ --	$ 100,296

COUNTY OF NEVADA

Supplemental Statement of Revenue and Expenditures
CSD Contract No. 05B-5325 (WX) (LIHEAP - $376,598)
For The Period January 1, 2005 through March 31, 2006

	January 1, 2005 through June 30, 2005	July 1, 2005 through March 31, 2006	Totals
Revenue			
Grant revenue	$ 31,002	$ 115,576	$ 146,578
Total Revenue	$ 31,002	$ 115,576	$ 146,578
Expenditures			
Administration Costs	$ 4,708	$ 7,979	$ 12,687
Program Costs:			
Program	19,769	92,625	112,394
Outreach	2,928	4,972	7,900
Training	790	2,370	3,160
Liability and Workman's Comp	1,817	5,460	7,277
Intake	990	2,170	3,160
Total Program	26,294	107,597	133,891
Total Expenditures	$ 31,002	$ 115,576	$ 146,578

COUNTY OF NEVADA

Supplemental Statement of Revenue and Expenditures
CSD Contract No. 06B-5376 (WX) (LIHEAP - $138,225)
For The Period January 1, 2006 through December 31, 2006

	January 1, 2006 through June 30, 2006	July 1, 2006 through December 31, 2006	Totals
Revenue			
Grant revenue	$ 51,999	$ --	$ 51,999
Total Revenue	$ 51,999	$ --	$ 51,999
Expenditures			
Administration Costs	$ 5,529	$ --	$ 5,529
Program Costs:			
Program	39,851	--	39,851
Outreach/training	4,837	--	4,837
Intake	1,382	--	1,382
Total Program	46,070	--	46,070
Total Expenditures	$ 51,599	$ --	$ 51,599

COUNTY OF NEVADA

Supplemental Statement of Revenue and Expenditures
CSD Contract No. 05B-5325 (ECIP/HEAP - $218,592)
For The Period January 1, 2005 through March 31, 2006

	January 1, 2005 through June 30, 2005	July 1, 2005 through March 31, 2005	Totals
Revenue			
Grant revenue	$ 62,669	$ 120,392	$ 183,061
Accrued grant revenue	--	--	--
Total Revenue	$ 62,669	$ 120,392	$ 183,061
Expenditures			
Administration Costs	$ 8,460	$ 6,450	$ 14,910
Assurance 16:			
Assurance 16 program costs	13,762	16,730	30,492
Intake:			
Intake costs	3,518	4,298	7,816
ECIP:			
Outreach	5,091	6,297	11,388
Wood/propane/oil payments	19,713	54,164	73,877
Furnace repair & replacement	--	3,587	3,587
Total ECIP	24,804	64,048	88,852
HEAP:			
Outreach	3,527	4,234	7,761
Wood/propane/oil payments	8,598	24,632	33,230
Total HEAP	12,125	28,866	40,991
Total Expenditures	$ 62,669	$ 120,392	$ 183,061

COUNTY OF NEVADA

Supplemental Statement of Revenue and Expenditures
CSD Contract No. 06B-5376 (ECIP/HEAP - $191,702)
For The Period January 1, 2006 through December 31, 2006

	January 1, 2006 through June 30, 2006	July 1, 2006 through December 31, 2006	Totals
Revenue			
Grant revenue	$ 37,575	$ --	$ 37,575
Accrued grant revenue	--	--	--
Total Revenue	$ 37,575	$ --	$ 37,575
Expenditures			
Administration Costs	$ 8,348	$ --	$ 8,348
Assurance 16:			
Assurance 16 program costs	6,616	--	6,616
Intake:			
Intake costs	3,430	--	3,430
ECIP:			
Outreach	5,338	--	5,338
Wood/propane/oil payments	9,472	--	9,472
Heating and cooling	--	--	--
Total ECIP	14,810	--	14,810
HEAP:			
Outreach	3,075	--	3,075
Wood/propane/oil payments	1,296	--	1,296
Total HEAP	4,371	--	4,371
Total Expenditures	$ 37,575	$ --	$ 37,575

COUNTY OF NEVADA

Supplemental Statement of Revenue and Expenditures
CSD Contract No. 05C-1573 (DOE - WX)
For The Period April 1, 2005 through January 31, 2006

	April 1, 2005 through June 30, 2005	July 31, 2005 through January 31, 2006	Totals
Revenue			
Grant revenue	$ --	$ 26,561	$ 26,561
Total Revenue	$ --	$ 26,561	$ 26,561
Expenditures			
Administration:			
Administrative Costs	$ --	$ 1,329	$ 1,329
Program Operations:			
Audit	$ --	$ 100	$ 100
Liability Insurance	--	100	100
Training	--	500	500
Health and Safety	--	4,988	4,988
Outreach	--	600	600
Intake	--	1,000	1,000
Client education	--	1,000	1,000
Worker's Comp		1,696	1,696
Total Program Operations	--	9,984	9,984
Program:			
Direct program costs	--	15,248	15,248
Total Expenditures	$ --	$ 26,561	$ 26,561

COUNTY OF NEVADA

Supplemental Statement of Revenue and Expenditures
CSD Contract No. 06C-1623 (DOE - WX)
For The Period April 1, 2006 through January 31, 2007

	April 1, 2006 through June 30, 2006	July 1, 2006 through January 31, 2007	Totals
Revenue			
Grant revenue	$ 15,675	$ --	$ 15,675
Total Revenue	$ 15,675	$ --	$ 15,675
Expenditures			
Administration:			
Administrative Costs	$ 912	$ --	$ 912
Program Operations:			
Audit	$ 100	$ --	100
Health and Safety	3,321	--	3,321
Liability Insurance	13	--	13
Outreach	912	--	912
Intake	912	--	912
Training	545	--	545
Workers Comp	553	--	553
Client education	442	--	442
Total Program Operations	6,798	--	6,798
Program:			
Direct program costs	7,965	--	7,965
Total Expenditures	$ 15,675	$ --	$ 15,675