

**COUNTY OF NEVADA,  
CALIFORNIA**



**SINGLE AUDIT ACT  
REPORTS AND SCHEDULES  
FOR THE YEAR ENDED  
JUNE 30, 2010**

**THIS PAGE INTENTIONALLY LEFT BLANK**

**COUNTY OF NEVADA, CALIFORNIA**  
**SINGLE AUDIT ACT**  
**FOR THE YEAR ENDED JUNE 30, 2010**

**TABLE OF CONTENTS**

	Page
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 .....	1
Report on Compliance with Requirements Applicable to Each Major Program And on Internal Control over Compliance in Accordance with OMB Circular A-133 .....	2-3
Schedule of Expenditures of Federal Awards for the Year Ended June 30, 2010 .....	4-8
Notes to Schedule of Expenditures of Federal Awards .....	9-11
Schedule of Findings and Questioned Costs .....	12-13
Summary Schedule of Prior Audit Recommendations .....	14
Supplemental Statements of Revenue and Expenditure .....	15-22

**THIS PAGE INTENTIONALLY LEFT BLANK**

**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 the 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, California (County), as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 16, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis.

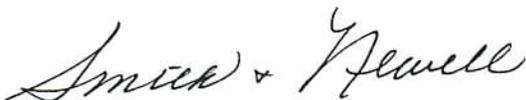
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses.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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We noted certain other matters that we reported to management of the County in a separate report dated December 16, 2010.

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



Smith & Newell CPA's  
Yuba City, California  
December 16, 2010

**THIS PAGE INTENTIONALLY LEFT BLANK**

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

Board of Supervisors and the Grand Jury  
County of Nevada  
Nevada City, California

Compliance

We have audited the compliance of County of Nevada, California, 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, 2010. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, 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, 2010.

Internal Control Over Compliance

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

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

Board of Supervisors and the Grand Jury  
County of Nevada  
Nevada City, California

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 County of Nevada, California, as of and for the year ended June 30, 2010, and have issued our report thereon dated December 16, 2010 which contained unqualified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

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

Handwritten signature in cursive script, appearing to read "Smith & Newell".

Smith & Newell, CPAs  
Yuba City, California  
December 16, 2010

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

<u>Federal Program/Pass Through Program Title</u>	<u>CFDA Number</u>	<u>Federal Pass-Through Grantor Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture</u>			
Direct Program:			
Plant and Animal Disease, Pest Control, and Animal Care	10.025	07-0372	\$ 7,802
Rural Housing Preservation Grants	10.433	09-USDA-HPG	75,000
Passed through State Department of Education			
School Breakfast Program	10.553	-	11,327
National School Lunch Program	10.555	-	17,215
Passed through State Department of Social Services:			
Supplemental Nutrition Assistance Program	10.551	-	8,303,743
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	-	565,776
Passed through State Department of Health Services:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	-	595,083
Passed through State Controller's Office			
Schools and Roads - Grants to States	10.665	-	319,346
Passed through State Department of Food and Agriculture			
ARRA - Recovery Act of 2009: Wildland Fire Management	10.688	09-0552	35,476
<b>Total U.S. Department of Agriculture</b>			<u>9,930,768</u>
<u>Department of Housing and Urban Development</u>			
Direct Program:			
Section 8 Housing Choice Vouchers	14.871	-	1,834,614
Passed through State Department of Housing and Community Development:			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	05 STBG 1577	4,773
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	08 STBG 4833	51,469
<b>Subtotal 14.228</b>			<u>56,242</u>
Home Investment Partnerships Program	14.239	08 HOME 4691	240,042
Home Investment Partnerships Program	14.239	-	142,141
<b>Subtotal 14.239</b>			<u>382,183</u>
Housing Opportunities for Persons with AIDS	14.241	07-65534	33,334
Rural Housing and Economic Development	14.250	06 EDBG 2716	63,620
Rural Housing and Economic Development	14.250	06 EDEF 3738	10,839
Rural Housing and Economic Development	14.250	07 PTAE 3011	42,176
<b>Subtotal 14.250</b>			<u>116,635</u>
<b>Total Department of Housing and Urban Development</b>			<u>2,423,008</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

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

<u>Federal Program/Pass Through Program Title</u>	<u>CFDA Number</u>	<u>Federal Pass-Through Grantor Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of the Interior</u>			
Direct Program:			
Payments in Lieu of Taxes	15.226	-	\$ 135,975
<b>Total U.S. Department of the Interior</b>			<u>135,975</u>
<u>U.S. Department of Justice</u>			
Direct Program:			
Part E - Developing, Testing and Demonstrating Promising New Programs	16.541	2008 JU FX 0027	244,836
Public Safety Partnership and Community Policing Grants	16.710	2008 CK WX 0213	129,139
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2009 DJ BX 0204	18,000
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	2007 MO BX 0026	230,928
ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG)/ Grants to Units of Local Government	16.804	2009 SB B9 2704	22,541
Passed through State Office of Emergency Services:			
Crime Victim Assistance	16.575	EA 0910 0290	89,083
Crime Victim Assistance	16.575	VW 0923 0290	42,704
<b>Subtotal 16.575</b>			<u>131,787</u>
Edward Byrne Memorial Formula Grant Program	16.579	DC 0920 0290	177,312
ARRA - Violence Against Women Formula Grants	16.588	RV 0901 0290	10,396
ARRA - Recovery Act - State Victim Assistance Formula Grant Program	16.801	VS 0901 0290	15,435
Passed through State Drug Enforcement Agency:			
Drug Court Discretionary Grant Program	16.585	2009-35	6,109
Drug Court Discretionary Grant Program	16.585	2010-38	13,416
<b>Subtotal 16.585</b>			<u>19,525</u>
<b>Total U.S. Department of Justice</b>			<u>999,899</u>
<u>U.S. Department of Labor</u>			
Direct Program:			
ARRA - Employee Benefits Security Administration (EBSA)	17.151	-	72,003
<b>Total U.S. Department of Labor</b>			<u>72,003</u>
<u>U.S. Department of Transportation</u>			
Passed through Federal Aviation Administration:			
Airport Improvement Program	20.106	AIP 3-06-0095-11	67,726
Airport Improvement Program	20.106	AIP 3-06-0095-12	4,541
Airport Improvement Program	20.106	AIP 3-06-0095-13	11,901
<b>Subtotal 20.106</b>			<u>84,168</u>
Passed through State Department of Transportation:			
Federal Transit - Capital Investment Grants	20.500	FTA 5309	183,451
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	-	25,008
Formula Grants for Other Than Urbanized Areas	20.509	FTA 5311	346,054
ARRA - Formula Grants for Other Than Urbanized Areas	20.509	FTA 5311	179,725
<b>Subtotal 20.509</b>			<u>525,779</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

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

<u>Federal Program/Pass Through Program Title</u>	<u>CFDA Number</u>	<u>Federal Pass-Through Grantor Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Transportation (Continued)</u>			
Passed through State Department of Transportation (Continued):			
Highway Planning and Construction	20.205	BRLO-5917(037)	\$ 1,217,114
Highway Planning and Construction	20.205	BRLOZA-5917(031)	146,408
Highway Planning and Construction	20.205	CML-5917(056)	28,048
Highway Planning and Construction	20.205	HSIPL-5914(048)	359,575
Highway Planning and Construction	20.205	HSIPL-5914(049)	173,508
Highway Planning and Construction	20.205	HSIPL-5914(051)	171,652
ARRA - Highway Planning and Construction	20.205	ESPL-5917(059)	250,000
ARRA - Highway Planning and Construction	20.205	ESPL-5917(061)	131,496
ARRA - Highway Planning and Construction	20.205	ESPL-5917(062)	118,595
ARRA - Highway Planning and Construction	20.205	ESPL-5917(063)	61,387
ARRA - Highway Planning and Construction	20.205	ESPL-5917(064)	2,752
<b>Subtotal 20.205</b>			<b>2,660,535</b>
<b>Total U.S. Department of Transportation</b>			<b>3,478,941</b>
<u>U.S. Department of Energy</u>			
Passed through State Department of Community Services and Development:			
ARRA - Weatherization Assistance for Low-Income Persons	81.042	09C-1826	157,806
<b>Total U.S. Department of Energy</b>			<b>157,806</b>
<u>Election Assistance Commission</u>			
Direct Program:			
Help America Vote Act Requirements Payments	90.401	09G30323	468
<b>Total Election Assistance Commission</b>			<b>468</b>
<u>U.S. Department of Health and Human Services</u>			
Passed through State Department of Social Services:			
Promoting Safe and Stable Families	93.556	-	25,000
Temporary Assistance for Needy Families	93.558	-	5,532,235
Child Welfare Services - State Grants	93.645	-	129,076
Social Services Block Grant	93.667	-	44,513
Chafee Foster Care Independence Program	93.674	-	45,958
ARRA Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program	93.714	-	824,853
Foster Care - Title IV-E	93.658	-	1,598,458
ARRA - Foster Care - Title IV-E	93.658	-	62,365
<b>Subtotal 93.658</b>			<b>1,660,823</b>
Adoption Assistance	93.659	-	781,167
ARRA - Adoption Assistance	93.659	-	88,652
<b>Subtotal 93.659</b>			<b>869,819</b>
Passed through State Child Support Department			
Child Support Enforcement	93.563	-	2,067,956
ARRA - Child Support Enforcement	93.563	-	458,309
<b>Subtotal 93.563</b>			<b>2,526,265</b>

See accompanying Notes to Schedule of Expenditures of Federal Awards

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

<u>Federal Program/Pass Through Program Title</u>	<u>CFDA Number</u>	<u>Federal Pass-Through Grantor Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Health and Human Services (Continued)</u>			
Passed through State Department of Aging:			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	78-09-29-10	54,194
Passed through State Department of Health Services:			
Public Health Emergency Preparedness	93.069	EPO 09-29	70,901
Childhood Lead Poisoning Prevention Projects - State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	08-85075	7,289
Immunization Grants	93.268	09-11286	57,935
ARRA - Immunization	93.712	09-11286	21,000
National Bioterrorism Hospital Preparedness Program	93.889	EPO 09-29	28,323
HIV Care Formula Grants	93.917	07-65068	56,663
Bioterrorism Training and Curriculum Development Program	93.996	EPO 09-29	207,459
Voting Access for Individuals with Disabilities - Grants to States	93.617	08G26124	134,781
Voting Access for Individuals with Disabilities - Grants to States	93.617	09G26131	5,000
<b>Subtotal 93.617</b>			<b>139,781</b>
Medical Assistance Program	93.778	-	78,792
Medical Assistance Program	93.778	CHDP	88,168
Medical Assistance Program	93.778	CCS	127,540
Medical Assistance Program	93.778	HCPCFC	35,919
Medical Assistance Program	93.778	IHSS	418,921
ARRA - Medical Assistance Program	93.778	IHSS	54,202
<b>Subtotal 93.778</b>			<b>803,542</b>
Maternal and Child Health Services Block Grant to the States	93.994	MCH	120,224
Passed through State Department of Mental Health Services:			
Block Grants for Community Mental Health Services	93.958	MHBG	82,536
Block Grants for Community Mental Health Services	93.958	PATH	10,000
<b>Subtotal 93.958</b>			<b>92,536</b>
Passed through State Department of Alcohol and Drug Programs:			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	SAPT	645,108
Passed through California Family Health Council, Inc.:			
Family Planning - Services	93.217	-	90,440
Passed through State Department of Community Services and Development:			
Low-Income Home Energy Assistance	93.568	09B-5526	572,277
Low-Income Home Energy Assistance	93.568	10B-5626	338,860
<b>Subtotal 93.568</b>			<b>911,137</b>
Community Services Block Grant	93.569	08F-4930	81,521
ARRA - Community Services Block Grant	93.569	09F-5131	53,557
Community Services Block Grant	93.569	10F-4031	169,675
<b>Subtotal 93.569</b>			<b>304,753</b>
<b>Total Department of Health and Human Services</b>			<b>15,269,827</b>

See accompanying Notes to Schedule of Expenditures of Federal Awards

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

<u>Federal Program/Pass Through Program Title</u>	<u>CFDA Number</u>	<u>Federal Pass-Through Grantor Number</u>	<u>Federal Expenditures</u>
<u>Department of Homeland Security</u>			
Passed through State Office of Emergency Services:			
Emergency Management Performance Grants	97.042	2009-15	\$ 91,814
State Homeland Security Program (SHSP)	97.073	2007-0008	6,004
State Homeland Security Program (SHSP)	97.073	2008-0006	124,308
State Homeland Security Program (SHSP)	97.073	2009-0019	<u>157,335</u>
<b>Subtotal 97.073</b>			<u>287,647</u>
Law Enforcement Terrorism Prevention Program (LETPP)	97.074	2007-0008	1,913
ARRA - Emergency Food and Shelter National Board Program (ARRA)	97.114	078400-012	<u>3,800</u>
<b>Total Department of Homeland Security</b>			<u>385,174</u>
<b>Total</b>			<u>\$ 32,853,869</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

**COUNTY OF NEVADA, CALIFORNIA**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

**1. REPORTING ENTITY**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the County of Nevada. The County of Nevada 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 on the schedule.

In accordance with requirements under U.S. Office of Management and Budget (OMB) Circular A-133, expenditures for federal awards under the American Recovery and Reinvestment Act of 2009 (ARRA) are separately identified in the schedule by inclusion of the prefix "ARRA" in identifying the name of the federal program on the schedule of expenditures of federal awards.

**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.

**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 inter governmental revenue in the General and Special Revenue Funds.

**4. 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.

**5. 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:

<u>Federal CFDA</u>	<u>Subrecipient</u>	<u>Amount</u>
10.665	Nevada County Fire Safe Council	42,372
93.556	Sierra Forever Families	15,000
93.556	Family Resource Center	10,000
93.558	Sierra Nevada Children's Services	549,238
93.558	Different Nonprofit Organizations	267,101
93.568	Community Recovery Resource	27,670
93.658	Private Industry Council	1,089
93.658	Apex Catering	1,622
93.674	Nevada County Superintendent of Schools	45,958
	Total	<u>\$ 960,050</u>

**6. 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>SNAP Cluster</u>		
10.551	Supplemental Nutrition Assistance Program (SNAP)	\$ 8,303,743
10.561	State Administrative Matching Grants for Supplemental Nutrition Assistance Program	565,776
	Total	<u>\$ 8,869,519</u>

**COUNTY OF NEVADA, CALIFORNIA**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

**6. PROGRAM CLUSTERS (CONTINUED)**

<u>Federal CFDA</u>	<u>Program Title</u>	<u>Federal Expenditures</u>
<u>Child Nutrition Cluster</u>		
10.553	School Breakfast Program	\$ 11,327
10.555	National School Lunch Program	17,215
	Total	<u>\$ 28,542</u>
<u>TANF Cluster</u>		
93.558	Temporary Assistance for Needy Families	\$ 5,532,235
93.714	ARRA Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program	824,853
	Total	<u>\$ 6,357,088</u>

**7. DEPARTMENT OF AGING FEDERAL/STATE SHARE**

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:

<u>CFDA</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>
93.044	\$ 54,194	\$ -
Total	<u>\$ 54,194</u>	<u>\$ -</u>

**8. CALIFORNIA OFFICE OF EMERGENCY SERVICES PROGRAMS**

The following represents expenditures for Office of Emergency Services (OES) programs for the year ended June 30, 2010. The amount reported in the Schedule of Expenditures of Federal Awards is determined by calculating the federal portion of the current year expenditures.

<u>Program</u>	<u>Expenditures Claimed</u>			<u>Share of Expenditures Current Year</u>		
	<u>For the Period Through June 30, 2009</u>	<u>For the Year Through June 30, 2010</u>	<u>Cumulative As of June 30, 2010</u>	<u>Federal Share</u>	<u>State Share</u>	<u>County Share</u>
<u>EA09100290 - Elder Abuse Advocacy &amp; Outreach (VOCA)</u>						
Personal services	\$ -	\$ 74,007	\$ 74,007	\$ 74,007	\$ -	\$ -
Operating expenses	-	16,231	16,231	15,076	-	1,155
Equipment	-	-	-	-	-	-
Totals	<u>\$ -</u>	<u>\$ 90,238</u>	<u>\$ 90,238</u>	<u>\$ 89,083</u>	<u>\$ -</u>	<u>\$ 1,155</u>
<u>VW09230290 - Victim Witness Assistance</u>						
Personal services	\$ -	\$ 123,286	\$ 123,286	\$ 42,704	\$ 80,582	\$ -
Operating expenses	-	-	-	-	-	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ -</u>	<u>\$ 123,286</u>	<u>\$ 123,286</u>	<u>\$ 42,704</u>	<u>\$ 80,582</u>	<u>\$ -</u>
<u>DC09200290 - Anti-Drug Enforcement</u>						
Personal services	\$ -	\$ 12,942	\$ 12,942	\$ 12,942	\$ -	\$ -
Operating expenses	-	164,370	164,370	164,370	-	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ -</u>	<u>\$ 177,312</u>	<u>\$ 177,312</u>	<u>\$ 177,312</u>	<u>\$ -</u>	<u>\$ -</u>
<u>RV09010290 - VAWA Stimulus Victim/Witness Assistance</u>						
Personal services	\$ -	\$ 7,674	\$ 7,674	\$ 4,209	\$ -	\$ 3,465
Operating expenses	-	6,187	6,187	6,187	-	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ -</u>	<u>\$ 13,861</u>	<u>\$ 13,861</u>	<u>\$ 10,396</u>	<u>\$ -</u>	<u>\$ 3,465</u>

**COUNTY OF NEVADA, CALIFORNIA**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

**8. CALIFORNIA OFFICE OF EMERGENCY SERVICES PROGRAMS (CONTINUED)**

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2009	For the Year Through June 30, 2010	Cumulative As of June 30, 2010	Federal Share	State Share	County Share
<b>VS09010290 - VOCA Stimulus Victim/Witness Assistance</b>						
Personal services	\$ -	\$ 15,078	\$ 15,078	\$ 15,078	\$ -	\$ -
Operating expenses	-	357	357	357	-	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ -</u>	<u>\$ 15,435</u>	<u>\$ 15,435</u>	<u>\$ 15,435</u>	<u>\$ -</u>	<u>\$ -</u>
<b>VB08060290 - Statutory Rape Vertical Prosecution</b>						
Personal services	\$ 69,714	\$ 90,593	\$ 160,307	\$ -	\$ 90,593	\$ -
Operating expenses	6,047	11,161	17,208	-	11,161	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ 75,761</u>	<u>\$ 101,754</u>	<u>\$ 177,515</u>	<u>\$ -</u>	<u>\$ 101,754</u>	<u>\$ -</u>

**9. LOANS OUTSTANDING**

The programs listed below had the following aggregate, federally funded loans outstanding at June 30, 2010:

Federal CFDA	Program Title	Amount Outstanding
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	\$ 1,695,871
14.239	Home Investment Partnerships Program	2,312,774
14.250	Rural Housing and Economic Development	178,578
	Total Loans Outstanding	<u>\$ 4,187,223</u>

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

**I. SUMMARY OF AUDITOR'S RESULTS**

<u>Financial Statements</u>	<u>Status</u>
1. Type of auditor's report issued	Unqualified
2. Internal controls over financial reporting:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified not considered to be material weaknesses?	Yes
3. Noncompliance material to financial statements noted?	No
 <u>Federal Awards</u>	
1. Internal control over major programs:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified not considered to be material weaknesses?	No
2. Type of auditor's report issued on compliance for major programs:	
All major programs	Unqualified
3. Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 Section 510(a)?	No
4. Identification of major programs:	
10.551 Supplemental Nutrition Assistance Program	
10.561 State Administrative Matching Grants for Supplemental Nutrition Assistance Program	
20.205 Highway Planning and Construction	
20.205 ARRA - Highway Planning and Construction	
93.558 Temporary Assistance for Needy Families	
93.563 Child Support Enforcement	
93.563 ARRA - Child Support Enforcement	
93.658 Foster Care - Title IV-E	
93.658 ARRA - Foster Care - Title IV-E	
93.659 Adoption Assistance	
93.659 ARRA - Adoption Assistance	
93.714 ARRA Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program	
5. Dollar threshold used to distinguish between Type A and Type B programs?	\$985,616
6. Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 530?	Yes

**II. FINANCIAL STATEMENT FINDINGS**

Financial Reporting: Significant Deficiency	10-FS-01
---	----------

**III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None

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

**10-FS-01      CAPITAL ASSETS (Financial Reporting: Significant Deficiency)**

**Condition**

During our audit we noted the County had recorded a prior period adjustment to correct an error in capital assets.

**Cause**

During the current year, the County identified duplicate road land and easements on the depreciation schedule and added the airport terminal building that was acquired in a prior year.

**Criteria**

Good internal control over capital assets requires that an accurate, current detail listing of all capital assets be maintained, that current year depreciation and accumulated depreciation be accurately calculated and recorded and that all assets meeting the capitalization policy be capitalized and depreciated.

**Effect of Condition**

Capital assets were misstated in the prior year and required adjustment.

**Recommendation**

We recommend that the County thoroughly review the capital assets schedules at least annually to ensure that all items are properly included and duplicate items are identified and corrected.

**Corrective Action Plan**

Capital expenditures and depreciation schedules are reviewed on an ongoing basis and adjusted for additions and deletions. Additional reviews have been implemented to ensure these schedules are accurate and complete.

**COUNTY OF NEVADA, CALIFORNIA**  
**SUMMARY SCHEDULE OF PRIOR AUDIT RECOMMENDATIONS**  
**FOR THE YEAR ENDED JUNE 30 2010**

<u>Audit Reference</u>	<u>Status of Prior Year Audit Recommendations</u>
<b>09-SA-01</b>	<p><b>Name:</b> FOSTER CARE - TITLE IV - E <b>CFDA #:</b> 93.658 <b>Federal Grantor:</b> U.S. Department of Health and Human Services <b>Pass Through Entity:</b> State Department of Social Services <b>Award No.:</b> N/A <b>Year:</b> 2008/2009</p> <p><b>Recommendation</b></p> <p>We recommend that the County require that the FC-2's be signed by the Eligibility Worker and that this person check the appropriate box showing determination of eligibility on this form. We also recommend that the County incorporate into their review process procedures to ensure that the FC-2's are properly completed and executed.</p> <p><b>Status</b></p> <p>Implemented</p>
<b>09-FS-01</b>	<p><b>CAPITAL ASSETS</b></p> <p><b>Recommendation</b></p> <p>We recommend that the County thoroughly review the capital assets schedules at least annually to ensure that all items are properly included and historical and estimated historical cost is accurate.</p> <p><b>Status</b></p> <p>In Progress</p>
<b>09-FS-02</b>	<p><b>OPEB OBLIGATION</b></p> <p><b>Recommendation</b></p> <p>We recommend that the County thoroughly review the calculation of the OPEB obligation by function and activity to ensure that all amounts are recorded in the proper fund.</p> <p><b>Status</b></p> <p>Implemented</p>

**THIS PAGE INTENTIONALLY LEFT BLANK**

---

**SUPPLEMENTAL STATEMENTS OF  
REVENUE AND EXPENDITURE**

**THIS PAGE INTENTIONALLY LEFT BLANK**

**COUNTY OF NEVADA, CALIFORNIA**  
**SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURE**  
**CSD CONTRACT NO. 09C-1725 (DOE-WX)**  
**FOR THE PERIOD JULY 1, 2009 THROUGH JUNE 30, 2010**

	<b>July 1, 2009 through June 30, 2010</b>	<b>Totals</b>
<u>Revenue</u>		
Grant revenue	\$ 157,806	\$ 157,806
Total Revenue	\$ 157,806	\$ 157,806
<u>Expenditures</u>		
Administrative costs	\$ 24,290	\$ 24,290
Program Costs:		
Client education	3,404	3,404
Liability insurance	500	500
Outreach	16,593	16,593
Training and technical assistance	2,080	2,080
Major vehicle and field equipment (less than \$5,000)	8,118	8,118
Major vehicle and field equipment (more than \$5,000)	579	579
Workers compensation	1,000	1,000
Intake	4,335	4,335
Direct program activities	83,433	83,433
Health and safety activities	13,474	13,474
Total Program Costs	133,516	133,516
Total Expenditures	\$ 157,806	\$ 157,806

**COUNTY OF NEVADA, CALIFORNIA**  
**SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURE**  
**CSD CONTRACT NO. 09B-5526 (WX) (LIHEAP)**  
**FOR THE PERIOD JANUARY 1, 2009 THROUGH JUNE 30, 2010**

	<u>January 1 through June 30, 2009</u>	<u>July 1, 2009 through June 30, 2010</u>	<u>Totals</u>
<u>Revenue</u>			
Grant revenue	\$ 102,002	\$ 196,376	\$ 298,378
Total Revenue	<u>\$ 102,002</u>	<u>\$ 196,376</u>	<u>\$ 298,378</u>
<u>Expenditures</u>			
Administrative costs	\$ 8,027	\$ 15,762	\$ 23,789
Program Costs:			
Intake	2,006	3,940	5,946
Outreach	5,016	9,850	14,866
Training and technical assistance	2,901	3,045	5,946
Direct program activities	82,052	163,779	245,831
Vehicle and equipment - acquisition costs	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Total Program Costs	<u>93,975</u>	<u>180,614</u>	<u>274,589</u>
Total Expenditures	<u>\$ 102,002</u>	<u>\$ 196,376</u>	<u>\$ 298,378</u>

**COUNTY OF NEVADA, CALIFORNIA**  
**SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURE**  
**CSD CONTRACT NO. 09B-5526 (ECIP/HEAP)**  
**FOR THE PERIOD JANUARY 1, 2009 THROUGH JUNE 30, 2010**

	<u>January 1 through June 30, 2009</u>	<u>July 1, 2009 through June 30, 2010</u>	<u>Totals</u>
<u>Revenue</u>			
Grant revenue	\$ 165,585	\$ -	\$ 165,585
Total Revenue	<u>\$ 165,585</u>	<u>\$ -</u>	<u>\$ 165,585</u>
<u>Expenditures</u>			
Administrative costs EHA 16	\$ 18,361	\$ 29,780	\$ 48,141
Assurance 16 costs:			
Assurance 16 activities	27,446	44,421	71,867
Intake:			
Intake costs	7,581	12,356	19,937
Outreach:			
Outreach	18,953	30,889	49,842
ECIP/HEAP:			
ECIP EHCS Heating service repair/replacement	-	8,449	8,449
ECIP Wood, propane, and oil payments	-	788	788
HEAP Wood, propane, and oil payments	90,571	244,892	335,463
Training and technical assistance	2,673	4,326	6,999
Total ECIP/HEAP	<u>93,244</u>	<u>258,455</u>	<u>351,699</u>
Total Expenditures	<u>\$ 165,585</u>	<u>\$ 375,901</u>	<u>\$ 541,486</u>

**COUNTY OF NEVADA, CALIFORNIA**  
**SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURE**  
**CSD CONTRACT NO. 10B-5626 (WX) (LIHEAP)**  
**FOR THE PERIOD JANUARY 1, 2010 THROUGH JUNE 30, 2010**

	<u>January 1 through June 30, 2010</u>	<u>Totals</u>
<u>Revenue</u>		
Grant revenue	\$ 46,702	\$ 46,702
Total Revenue	<u>\$ 46,702</u>	<u>\$ 46,702</u>
<u>Expenditures</u>		
Administrative costs	\$ 3,736	\$ 3,736
Program Costs:		
Intake	934	934
Outreach	2,335	2,335
Training and technical assistance	934	934
Direct program activities	<u>38,763</u>	<u>38,763</u>
Total Program Costs	<u>42,966</u>	<u>42,966</u>
Total Expenditures	<u>\$ 46,702</u>	<u>\$ 46,702</u>

**COUNTY OF NEVADA, CALIFORNIA**  
**SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURE**  
**CSD CONTRACT NO. 10B-5626 (ECIP/HEAP)**  
**FOR THE PERIOD JANUARY 1, 2010 THROUGH JUNE 30, 2010**

	<b>January 1 through June 30, 2010</b>	<b>Totals</b>
<u>Revenue</u>		
Grant revenue	\$ 292,158	\$ 292,158
Total Revenue	\$ 292,158	\$ 292,158
<u>Expenditures</u>		
Administrative costs EHA 16	\$ 21,956	\$ 21,956
Assurance 16 costs:		
Assurance 16 activities	36,561	36,561
Intake:		
Intake costs	9,545	9,545
Outreach:		
Outreach	23,862	23,862
ECIP/HEAP:		
ECIP EHCS Heating service repair/replacement	1,749	1,749
ECIP Wood, propane, and oil payments	1,785	1,785
HEAP Wood, propane, and oil payments	196,700	196,700
Total ECIP/HEAP	200,234	200,234
Total Expenditures	\$ 292,158	\$ 292,158

**COUNTY OF NEVADA, CALIFORNIA**  
**SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURE**  
**CSD CONTRACT NO. 08F-4930 (CSBG)**  
**FOR THE PERIOD JANUARY 1, 2008 THROUGH JUNE 30, 2010**

	<u>January 1, 2008 through June 30, 2008</u>	<u>July 1, 2009 through June 30, 2009</u>	<u>July 1, 2009 through June 30, 2010</u>	<u>Totals</u>
<u>Revenue</u>				
Grant revenue	\$ 173,685	\$ 284,256	\$ 102,548	\$ 560,489
Total Revenue	<u>\$ 173,685</u>	<u>\$ 284,256</u>	<u>\$ 102,548</u>	<u>\$ 560,489</u>
<u>Expenditures</u>				
Administrative Costs:				
Salaries and wages	\$ 62,225	\$ 115,873	\$ 35,000	\$ 213,098
Fringe benefits	30,648	57,049	17,228	104,925
Total Administrative Costs	<u>92,873</u>	<u>172,922</u>	<u>52,228</u>	<u>318,023</u>
Program Costs:				
Salaries and wages	15,060	31,459	10,118	56,637
Fringe benefits	7,764	16,679	3,937	28,380
Subcontractor services	27,606	50,805	15,238	93,649
Total Program Costs	<u>50,430</u>	<u>98,943</u>	<u>29,293</u>	<u>178,666</u>
Total Expenditures	<u>\$ 143,303</u>	<u>\$ 271,865</u>	<u>\$ 81,521</u>	<u>\$ 496,689</u>

**COUNTY OF NEVADA, CALIFORNIA**  
**SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURE**  
**CSD CONTRACT NO. 09F-5131 (CSBG)**  
**FOR THE PERIOD JANUARY 1, 2010 THROUGH JUNE 30, 2010**

	<u>January 1 through June 30, 2010</u>	<u>Totals</u>
<u>Revenue</u>		
Grant revenue	\$ 53,557	\$ 53,557
Total Revenue	<u>\$ 53,557</u>	<u>\$ 53,557</u>
<u>Expenditures</u>		
Administrative Costs:		
Salaries and wages	\$ 4,812	\$ 4,812
Fringe benefits	<u>2,386</u>	<u>2,386</u>
Total Administrative Costs	<u>7,198</u>	<u>7,198</u>
Program Costs:		
Subcontractor services	<u>46,359</u>	<u>46,359</u>
Total Program Costs	<u>46,359</u>	<u>46,359</u>
Total Expenditures	<u>\$ 53,557</u>	<u>\$ 53,557</u>

**COUNTY OF NEVADA, CALIFORNIA**  
**SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURE**  
**CSD CONTRACT NO. 10F-4031 (CSBG)**  
**FOR THE PERIOD JANUARY 1, 2010 THROUGH JUNE 30, 2010**

	<u>January 1 through June 30, 2010</u>	<u>Totals</u>
<u>Revenue</u>		
Grant revenue	\$ 169,675	\$ 169,675
Total Revenue	<u>\$ 169,675</u>	<u>\$ 169,675</u>
<u>Expenditures</u>		
Administrative Costs:		
Salaries and wages	\$ 66,870	\$ 66,870
Fringe benefits	<u>36,966</u>	<u>36,966</u>
Total Administrative Costs	<u>103,836</u>	<u>103,836</u>
Program Costs:		
Salaries and wages	22,290	22,290
Fringe benefits	12,322	12,322
Subcontractor services	<u>31,227</u>	<u>31,227</u>
Total Program Costs	<u>65,839</u>	<u>65,839</u>
Total Expenditures	<u>\$ 169,675</u>	<u>\$ 169,675</u>