

**COUNTY OF TRINITY
SINGLE AUDIT REPORT
JUNE 30, 2012**

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COUNTY OF TRINITY

Single Audit Report
For the Year Ended June 30, 2012

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

Board of Supervisors
County of Trinity
Weaverville, 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 Trinity, California (County) as of and for the year ended June 30, 2012, which collectively comprise the County's financial statements and have issued our report thereon dated March 28, 2013. Our report includes a reference to other auditors. The report on business-type activities and Waterworks District No. 1 was qualified because the capital assets of the District were not audited. 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. Other auditors audited the financial statements of the Trinity County Waterworks District No. 1 as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

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.

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 County's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Board of Supervisors
County of Trinity

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 matters that we reported to management of the County of Trinity in a separate letter dated March 28, 2013.

This report is intended solely for the information of the County management, the 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.

A handwritten signature in cursive script that reads "Gallina LLP".

Roseville, California
March 28, 2013



**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**

Board of Supervisors
County of Trinity
Weaverville, California

Compliance

We have audited the compliance of the County of Trinity (County), with the types of compliance requirements described in the *U.S. Office of Management and Budget (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, 2012. 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.

As described in item 12-SA-1 in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding eligibility tests that are applicable to its Adoption Assistance Program. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to this program.

Internal Control Over Compliance

In our opinion, except for the noncompliance described in the preceding paragraph, 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, 2012.

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with 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 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance 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 discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

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 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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 12-SA-1 to be a material weakness.

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the County as of and for the year ended June 30, 2012, and have issued our report thereon dated March 28, 2013, which contained a qualified opinion on those financial statements. The report on business-type activities and Waterworks District No. 1 (District) was qualified because the capital assets of the District were not audited. We did not audit the financial statements of the Trinity County Waterworks District No. 1. Those financial statements were audited by other auditors, whose reports there on has been furnished to us, and our opinions, insofar as they related to the amounts included for the District is based solely on the reports of the other auditors. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The accompanying 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 basic 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 to 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 as a whole.

The Supplementary Schedule of the California Emergency Management Agency has not been subjected to auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

Board of Supervisors
County of Trinity

The purpose of this report is solely to describe the scope of our testing of compliance with the types of compliance requirements applicable to each of the County's major programs and our testing of internal control over compliance and the results of our testing, and to provide an opinion on the County's compliance but not to provide an opinion on the effectiveness of the County's internal control over compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's compliance with requirements applicable to each major program and its internal control over compliance. Accordingly, this report is not suitable for any other purpose.

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Roseville, California
March 28, 2013

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COUNTY OF TRINITY

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Agriculture</u>			
Direct Program:			
Wetland Reserve Program	10.072	--	5,224
Subtotal			<u>5,224</u>
Passed through State Department of Social Services:			
ARRA - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	--	374,417
Subtotal			<u>374,417</u>
Passed through State Department of Health Services:			
Special Supplemental Nutrition Program for	10.557	--	293,384
Subtotal			<u>293,384</u>
Passed through State Controller's Office:			
Schools and Roads – Grants to States	10.665	--	1,967,183
Schools and Roads – Grants to States	10.665	--	1,247
Schools and Roads – Grants to Counties	10.666	--	252,952
Subtotal - Schools and Roads Cluster			<u>2,221,382</u>
Total U.S. Department of Agriculture			<u>2,894,407</u>
<u>U.S. Department of Commerce</u>			
Direct Program:			
ARRA - Habitat Conservation (NOAA)	11.463	--	11,250
Public Health Emergency Response	11.206	--	65,938
Total U.S. Department of Commerce			<u>77,188</u>
<u>U.S. Department of Education</u>			
Passed through State Office of Education			
Special Education Grants (IDEA)	84.027A	--	6,766
Total U.S. Department of Education			<u>6,766</u>
<u>U.S. Department of the Interior</u>			
Direct Program:			
ARRA - Central Valley Project Improvement Act Title XXXIV	15.512	--	9,649
ARRA - Klamath River Watershed Restoration Program	15.517	--	6,818
Payments in Lieu of Taxes	15.226	--	522,401
Central Valley Project, Trinity River Division, Trinity River Fish and Wildlife Management	15.532	--	15,119
Partners for Fish and Wildlife	15.631	--	3,387
Subtotal			<u>557,374</u>
Total U.S. Department of the Interior			<u>557,374</u>
<u>U.S. Department of Housing and Urban Development</u>			
Passed through State Department of Housing and Urban Development:			
Community Development Block Grant/States Program	14.228	08-EDEF-5789	86,783
Community Development Block Grant/States Program	14.228	08-EDEF-6370	29,254
Community Development Block Grant/States Program	14.228	--	225,888
Community Development Block Grant/States Program Outstanding Loan Balance	14.228	10-DRI-6793	1,516,475
Subtotal CFDA Number 14.228			<u>1,858,400</u>

See accompanying Notes to Schedule of Expenditure of Federal Awards

COUNTY OF TRINITY

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Housing and Urban Development (continued)</u>			
Passed through State Department of Housing and Urban Development (continued):			
FY 09 Home Investment Partnership Program	14.239	09-HOME-6201	223,599
Home Investment Partnership Program			
Outstanding Loan Balance	14.239	--	3,064,457
Subtotal			<u>3,288,056</u>
 Total U.S. Department of Housing and Urban Development			 <u>5,146,456</u>
<u>U.S. Department of Justice</u>			
Direct Programs:			
ARRA - Public Safety Partnership and Community Policing Grants - COPS Hiring Program	16.710	2010umwx0043	73,467
 Grants to Encourage Policies and Enforcement of Protection Orders Program	16.590	2011-WE-AX-0003	127,379
Subtotal Direct Programs			<u>200,846</u>
Passed through California Emergency Management Agency:			
Crime Victim Assistance	16.575	VW11160530	31,460
 Edward Byrne Memorial Justice Assistance Grant - ADA Task Force	16.738	DC11220530	85,393
Edward Byrne Memorial Justice Assistance Grant - Marijuana Program	16.738	MS10010530	159,158
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units Of Local Government	16.804	ZA09010530	80,539
Subtotal Pass-Through			<u>356,550</u>
 Total U.S. Department of Justice			 <u>557,396</u>
<u>U.S. Department of Transportation</u>			
Direct Program:			
Airport Improvement Program	20.106	06-0260-007	110,322
Airport Improvement Program	20.106	06-0273-08	2,842
Airport Improvement Program	20.106	06-0273-10	10,242
Airport Improvement Program	20.106	06-0102-07	26,359
Subtotal Direct Program			<u>149,765</u>
Passed through State Department of Transportation:			
Highway Planning and Construction	20.205	BRLO-5905(063)	82,299
Highway Planning and Construction	20.205	BRLS-5905(071)	41,978
Highway Planning and Construction	20.205	BRLO-5905(082)	79
Highway Planning and Construction	20.205	BRLS-5905(074)	4,142
Highway Planning and Construction	20.205	BRLO-5905(075)	683
Highway Planning and Construction	20.205	RPSTPL-5905(038)	1,910,244
Highway Planning and Construction	20.205	RPSTPLE-5905(069)	51,095
Highway Planning and Construction	20.205	RPSTPLE-5905(072)	55,838
Highway Planning and Construction	20.205	RPSTPLE-5905(073)	2,065
Hazard Elimination Safety Program	20.205	HSIPL-5905(078)	5,555
Hazard Elimination Safety Program	20.205	HSIPL-5905(088)	12,932
Metropolitan Transportation Planning	20.505	605.2	15,699
Metropolitan Transportation Planning	20.505	605.3	472

See accompanying Notes to Schedule of Expenditure of Federal Awards

COUNTY OF TRINITY

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Transportation</u> (continued)			
Passed through State Department of Transportation (continued):			
Metropolitan Transportation Planning	20.505	605.4	3,739
State Traffic Information System Improvement Grants	20.610	TR1102	31,600
State Traffic Information System Improvement Grants	20.610	RS1101	12,780
Subtotal			<u>2,231,200</u>
 Interagency Hazardous Material Emergency Public Sector Training and Planning Grants - HMEP	 20.703	 --	 12,100
Subtotal			<u>12,100</u>
 ARRA - Federal Transit Capital Investment Grants	 20.509	 --	 14,234
Formula Grants for Other Than Urbanized Areas	20.509	--	217,611
Subtotal			<u>231,845</u>
 Total U.S. Department of Transportation			<u>2,624,910</u>
<u>U.S. Department of Energy</u>			
Passed through County of Humboldt			
ARRA - Energy Efficiency and Conservation Block Grant	81.128	CBG 09-1999	78,635
 Total U.S. Department of Energy			<u>78,635</u>
<u>U.S. Department of Health and Human Services</u>			
Passed through State Department of Social Services:			
Promoting Safe and Stable Families	93.556	--	12,033
Child Support Enforcement	93.563	--	452,645
Community Based Child Abuse Prevention Grants	93.590	--	104,401
Adoption Incentive Payment	93.603	--	(315)
Stephanie Tubbs Jones Child Welfare Services Program	93.645	--	14,879
ARRA - Foster Care Title IV-E	93.658	--	45
Foster Care Title IV-E	93.658	--	1,299,212
Foster Care Title IV-E	93.658	--	381,913
Adoption Assistance	93.659	--	328,788
Adoption Assistance	93.659	--	5,497
Social Services Block Grant	93.667	--	94,585
Chafee Foster Care Independence Program	93.674	--	21,414
Temporary Assistance for Needy Families	93.558	--	1,052,428
Subtotal			<u>3,767,525</u>
Passed through State Department of Health Care Services:			
Immunization Cooperative Agreements	93.268	--	25,000
Children's Health Insurance Program	93.767	--	6,183
Medical Assistance Programs	93.778	--	203,488
Medical Assistance Programs - Foster Care	93.778	--	15,055
Medical Assistance Programs	93.778	--	1,083,137
Medical Assistance Programs	93.778	--	42,608
Medical Assistance Programs	93.778	--	3,351
Medical Assistance Programs	93.778	--	28,049
Maternal and Child Health Services Block Grant to the States	93.994	--	59,583
Subtotal Pass-Through			<u>1,466,454</u>

See accompanying Notes to Schedule of Expenditure of Federal Awards

COUNTY OF TRINITY

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Health and Human Services (continued)</u>			
Passed through State Department of Public Health: Public Health Emergency Preparedness Program	93.069	--	<u>122,385</u>
Passed through State Department of Mental Health: Assistance in Transition from Homelessness	93.150	--	10,650
Substance Abuse and Mental Health Services Administration (SAMSHA) Subtotal Pass-Through	93.958	--	<u>85,367</u> <u>96,017</u>
Passed through State Department of Alcohol and Drug Abuse Programs: Block Grants for Prevention and Treatment of Substance Abuse (SAPT)	93.959	--	<u>392,489</u>
Total U.S. Department of Health and Human Services			<u>5,844,870</u>
<u>U.S. Department of Homeland Security</u>			
Passed through State Department of Homeland Security: Homeland Security Grant Program - HSGP11	97.073	2011-77	47,492
Homeland Security Grant Program - HSGP09	97.073	2009-0019	8,534
Homeland Security Grant Program - HSGP10 Subtotal CFDA Number 97.073	97.073	2010-0085	<u>76,550</u> <u>132,576</u>
Passed through California Emergency Management Agency: Emergency Management Performance Grant Subtotal CFDA Number 97.042	97.042	2009-0015	<u>118,273</u> <u>118,273</u>
Total U.S. Department of Homeland Security			<u>250,849</u>
Total Expenditures of Federal Awards			<u><u>18,038,851</u></u>

See accompanying Notes to Schedule of Expenditure of Federal Awards

COUNTY OF TRINITY

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

NOTE 1: GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the County of Trinity. The County of Trinity 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 presented using the modified accrual basis of accounting and the accrual basis of accounting for program expenditures accounted for in governmental funds and proprietary funds, respectively, as described in Note 1 of the County's basic financial statements.

NOTE 3: RELATIONSHIP TO FINANCIAL STATEMENTS

Federal award expenditures agree or can be reconciled with the amounts reported in the County's basic financial statements.

NOTE 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.

NOTE 5: SUBRECIPIENTS

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

<u>Federal CFDA</u>	<u>Program Title</u>	<u>Amount Provided to Subrecipients</u>
14.228	Community Development Block Grant/State's Program	\$ 115,535
14.239	Home Investment Partnership Program	\$ 14,085

COUNTY OF TRINITY

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

NOTE 6: PROGRAM CLUSTERS

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

<u>Federal CFDA</u>	<u>Program Title</u>	<u>Federal Expenditures</u>
<u>Schools and Roads Cluster:</u>		
10.665	Schools and Roads – Grants to States	\$ 1,967,183
10.665	Schools and Roads – Grants to States	1,247
10.666	Schools and Roads – Grants to Counties	<u>252,952</u>
	Total	<u>\$ 2,221,382</u>
 <u>JAG Program Cluster:</u>		
16.738	Edward Byrne Memorial Justice Assistance Grant Program – Marijuana Suppression Grant	\$ 159,158
16.738	Edward Byrne Memorial Justice Assistance Grant Program – Trinity County Drug ADA Task Force	85,393
16.804	Recovery Act – Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government	<u>80,539</u>
	Total	<u>\$ 325,090</u>

NOTE 7: TOTAL FEDERAL AWARDS EXPENDED BY CFDA NUMBER

When there is more than one program under a single CFDA number, the Schedule of Expenditures of Federal Awards totals all programs under the one CFDA number. Occasionally, however, this total could not be conveniently displayed because all programs under one CFDA number were not contiguous. When this occurred, this total is not shown in the Schedule, but instead is provided below:

<u>CFDA No.</u>	<u>Total Federal Expenditures</u>
10.665	\$ 1,968,430
16.738	244,551
20.205	2,166,910
20.505	19,910
20.610	44,380
93.658	1,681,170
93.659	334,285
93.778	1,375,688

COUNTY OF TRINITY

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

NOTE 8: LOANS WITH CONTINUING COMPLIANCE REQUIREMENTS

The following schedule presents the amount of outstanding loans by CFDA No. that have continuing compliance requirements. The County's loans are administered by the Trinity County Grants Department. All loans are provided by the U.S. Department of Housing and Urban Development and flow through the State Department of Housing and Urban Development:

<u>Federal Program</u>	<u>Outstanding Loans</u>	<u>Prior Year Loans with Continuing Compliance Requirements</u>	<u>New Loans</u>
Community Development Block Grant/States Program	\$ 1,516,475	\$ 1,504,833	\$ 11,642
Home Investment Partnership Program	3,064,457	2,973,951	90,506

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COUNTY OF TRINITY

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2012

Section 1

Summary of Auditor's Results

Financial Statements

- | | |
|---|---------------|
| 1. Type of auditor's report issued: | Unqualified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses | None Reported |
| 3. Noncompliance material to financial statements noted? | No |

Federal Awards

- | | |
|--|---------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiencies identified not considered to be material weaknesses? | None Reported |

2. Type of auditor's report issued on compliance for major programs:

Adoption Assistance Program	Qualified
All Other 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

10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
10.665, 10.666	Schools and Roads Cluster
20.205	Highway Planning and Construction
93.558	Temporary Assistance for Needy Families
93.658	Foster Care – Title IV-E
93.659	Adoption Assistance Program
93.778	Medical Assistance Program

5. Dollar threshold used to distinguish between Type A and Type B programs:

\$ 541,166

6. Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 530?

No

COUNTY OF TRINITY

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2012

Section 2

Financial Statement Findings

None Reported

Section 3

Federal Award Findings and Questioned Costs

CFDA Number 93.659

Finding 12-SA-1

COUNTY OF TRINITY

Schedule of Findings and Questioned Costs Federal Awards and Findings and Questioned Costs For the Year Ended June 30, 2012

Reference Number	12-SA-1
Federal Program Title	Adoption Assistance Program
CFDA Number	93.659
Federal Agency	U.S. Department of Health and Human Services
Pass Through Entity	State Department of Social Services
Compliance Requirement	Eligibility

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 FC 9 was used to document a child's eligibility for Adoption Assistance.

Condition

Of the 40 case files selected for eligibility testing, we noted 10 case files where the Department failed to have the authorized official from the County Welfare Department sign and date the AAP-4 and one case where the back side/second page of the AAP-4 was missing. They also failed to complete the certification to determine federal eligibility by checking the appropriate box below the signature line. Our sample contained only federally-funded Adoption Assistance cases. The error rate for the sample was $11 / 40 = 27.50\%$.

Questioned Costs

There are \$91,600 of questioned costs. They were calculated using the detail payroll reports for the issuance of benefit payments by case number for FY 2011/2012.

Cause

The County did not have proper oversight to ensure that the forms were being properly reviewed and signed.

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.

Recommendation

We recommend that the Department 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 a properly-executed AAP-4, we recommend that a supervisor review the case file to make sure that the aid code for the case is correct.

COUNTY OF TRINITY

Schedule of Findings and Questioned Costs
Federal Awards and Findings and Questioned Costs
For the Year Ended June 30, 2012

Reference Number 12-SA-1 (continued)

Corrective Action Plan

Once the transfer of responsibility for processing the AAP cases changed to me, I developed an internal checklist to ensure that all required forms were received from the state and subsequently reviewed and certified by the appropriate county worker and developed a policy/procedure to establish/maintain these cases. Since this checklist was developed, all AAP 4 forms have been reviewed, signed, and eligibility for federal and/or state funding certified on the form.

As I had discussed with the outside auditor during his review, many of the case files pulled for the 2012 audit were case files that had been pulled during prior years. These case files were found to have the same errors during this review as they had during the prior years. Unfortunately, we cannot retroactively certify a document after the case has been established to rectify the errors. The outside auditor noted this in his findings as the newer cases were found to have no errors.

The contact persons for this Corrective Action Plan are listed below:

Linda Wright, Director
Morgan Talkington, Eligibility Supervisor
Trinity County Health and Human Services
(530) 623-1265

COUNTY OF TRINITY

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2012

Reference Number 11-SA-1
Federal Program Title Foster Care Title IV-E
ARRA – Foster Care Title IV-E
CFDA Number 93.658
Federal Agency U.S. Department of Health and Human Services
Pass Through Entity State Department of Social Services
Compliance Requirement Eligibility

Recommendation

We recommend the Department review the requirements for properly obtaining and executing AFDC eligibility requirements for all children in foster family homes. We further recommend the Department review its internal controls for Department employees to track and review eligibility records to ensure that all children living in foster family homes have satisfactorily met AFDC eligibility requirements prior to placing the children in foster family homes.

Status

Implemented.

Reference Number 11-SA-2
Federal Program Title Foster Care Title IV-E
ARRA – Foster Care Title IV-E
CFDA Number 93.658
Federal Agency U.S. Department of Health and Human Services
Pass Through Entity State Department of Social Services
Compliance Requirement Eligibility

Recommendation

We recommend the Department review the requirements for properly obtaining and executing AFDC eligibility requirements for all children in foster family homes. We further recommend the Department review its internal controls for Department employees to track and review eligibility records to ensure that all children living in foster family homes have satisfactorily met AFDC eligibility requirements prior to placing the children in foster family homes.

Status

Implemented.

COUNTY OF TRINITY

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2012

Reference Number 11-SA-3
Federal Program Title Adoption Assistance Program
ARRA – Adoption Assistance Program
CFDA Number 93.659
Federal Agency U.S. Department of Health and Human Services
Pass Through Entity State Department of Social Services
Compliance Requirement Eligibility

Recommendation

We recommend that the Department 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 a properly-executed AAP-4, we recommend that a supervisor review the case file to make sure that the aid code for the case is correct.

Status

Not implemented. This is a reoccurring finding prior year and is renumbered as Finding 12-SA-1.

Reference Number 11-SA-4
Federal Program Title Medical Assistance Program
CFDA Number 93.778
Federal Agency U.S. Department of Health and Human Services
Pass Through Entity State Departments of Health Care Services and Mental Health
Compliance Requirement Eligibility

Recommendation

We recommend that a review process be implemented to ensure that the required annual redeterminations for the Medi-Cal Assistance Program are conducted.

Status

Implemented.

**SUPPLEMENTARY SCHEDULE
OF
THE CALIFORNIA EMERGENCY
MANAGEMENT AGENCY PROGRAMS
GRANT EXPENDITURES**

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COUNTY OF TRINITY

Supplementary Schedules
of Grant Expenditures
For the Year Ended June 30, 2012

California Emergency Management Agency Grants

The following represents expenditures for the California Emergency Management Agency (CalEMA) grants for the year ended June 30, 2012. The amount reported in the Schedule of Expenditures of Federal Awards is determined by calculating the federal portion of the current year expenditures.

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2011	For the Year Ended June 30, 2012	Cumulative As of June 30, 2012	Federal Share	State Share	County Share
CFDA # 16.804 ZA09010530 - ADA Recovery Act Program						
Personal services	\$ 48,163	\$ 60,164	\$ 108,327	\$ 60,164	\$ --	\$ --
Operating expenses	15,549	13,151	28,700	13,151	--	--
Equipment	136,864	7,224	144,088	7,224	--	--
Totals	<u>\$ 200,576</u>	<u>\$ 80,539</u>	<u>\$ 281,115</u>	<u>\$ 80,539</u>	<u>\$ --</u>	<u>\$ --</u>
CFDA #16.738 DC11220530 - Trinity County Drug ADA Task Force						
Personal services	\$ --	\$ 19,243	\$ 19,243	\$ 19,243	\$ --	\$ --
Operating expenses	--	66,150	66,150	66,150	--	--
Totals	<u>\$ --</u>	<u>\$ 85,393</u>	<u>\$ 85,393</u>	<u>\$ 85,393</u>	<u>\$ --</u>	<u>\$ --</u>
CFDA #16.575 VW11160530 - Trinity County Victim Witness Program						
Personal services	\$ 70,361	\$ 67,519	\$ 137,880	\$ 31,460	\$ 36,059	\$ --
Operating expenses	7,138	6,422	13,560	--	6,422	--
Totals	<u>\$ 77,499</u>	<u>\$ 73,941</u>	<u>\$ 151,440</u>	<u>\$ 31,460</u>	<u>\$ 42,481</u>	<u>\$ --</u>
CFDA Number 16.738 MS10010530 - MSP						
Personal services	\$ 94,543	\$ 109,904	\$ 204,447	\$ 109,904	\$ --	\$ --
Operating expenses	89,594	49,254	138,848	49,254	--	--
Equipment	28,083	--	28,083	--	--	--
Totals	<u>\$ 212,220</u>	<u>\$ 159,158</u>	<u>\$ 371,378</u>	<u>\$ 159,158</u>	<u>\$ --</u>	<u>\$ --</u>