

**COUNTY OF SONOMA, CALIFORNIA**

Single Audit Reports

For the Fiscal Year Ended June 30, 2008

**COUNTY OF SONOMA, CALIFORNIA  
SINGLE AUDIT REPORTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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**COUNTY OF SONOMA, CALIFORNIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Federal Grantor/Pass-through Grantor/Program Name	Federal CFDA No.	Federal Agency/Pass-through Grant Award No.	Expenditures
<b>U.S. Department of Agriculture</b>			
<u>Direct Federal Programs</u>			
Sudden Oak Death and Strategic Response	10.680	06-DG-11052021-365	\$ 51,717
<u>Passed through the State Department of Social Services</u>			
Foodstamps	10.551	11609	\$ 19,735,096
State Administrative Matching Grant for Food Stamp Program	10.561	11609	<u>2,314,873</u>
Subtotal Foodstamps Cluster - Passed through the State Department of Social Services			22,049,969
<u>Passed through the State Department of Public Health</u>			
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	05-45803	1,580,555
Local Incentive Award	10.561	05-45538	136,399
Subtotal Passed through State Department of Public Health			<u>1,716,954</u>
<u>Passed through the State Department of Agriculture</u>			
School Breakfast Program	10.553	02836-FN-39-R	779,024
<u>Passed through the Natural Resources Conservation Service</u>			
Odd Fellows Park Emergency Bank Repair	10.904	69-9104-8-294	<u>89,250</u>
<b>Total U.S. Department of Agriculture</b>			<b><u>24,686,914</u></b>
<b>U.S. Department of Commerce</b>			
<u>Direct Federal Program</u>			
Habitat Conservation	11.463	NA04NMF4630069	<u>82,237</u>
<b>Total U.S. Department of Commerce</b>			<b><u>82,237</u></b>
<b>U.S. Department of Defense</b>			
<u>Direct Federal Program</u>			
Navigation Projects	12.107	W912P7-07-C-0009,0001	<u>116,168</u>
<b>Total U.S. Department of Defense</b>			<b><u>116,168</u></b>
<b>U.S. Department of Housing and Urban Development</b>			
<u>Passed through the State Department of Public Health - Office of AIDS</u>			
Housing Opportunities For Persons With AIDS	14.241	07-65542	<u>320,856</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<b><u>320,856</u></b>
<b>U.S. Department of Interior</b>			
<u>Passed through U.S. Bureau of Reclamation</u>			
Water Reclamation and Reuse	15.504	02FC200141	<u>294,634</u>
<b>Total U.S. Department of Interior</b>			<b><u>294,634</u></b>

See accompanying notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF SONOMA, CALIFORNIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Federal Grantor/Grant Name	Federal CFDA No.	Federal Agency/Pass-through Grant Award No.	Expenditures
<b>U.S. Department of Justice</b>			
<u>Direct Federal Programs</u>			
Edward Byrne Memorial State and Local Law Enforcement Assistance			
Discretionary Grants Program - Domestic Cannabis Eradication	16.580	SF7A4107048	60,000
Justice Assistance Grants	16.738	2007-DJBX0422	109,049
State Criminal Alien Assistance Program	16.606	2008-APBX0330	1,115,778
Subtotal Direct Federal Programs			<u>1,284,827</u>
<u>Passed through the State Office of Emergency Services</u>			
Edward Byrne Memorial Formula Grant Program			
Marijuana Suppression Program	16.579	MS07150490	177,169
Narcotics Elimination Task Force	16.579	DC07180490	215,055
Subtotal Edward Byrne Memorial Formula Grant Programs			<u>392,224</u>
Subtotal Passed through the State Office of Emergency Services			<u>392,224</u>
<b>Total U.S. Department of Justice</b>			<b><u>1,677,051</u></b>
<b>U.S. Department of Labor</b>			
<u>Passed through the State Employment Development Department</u>			
Workforce Investment Act - Adult Program	17.258	R865494, R760358	629,926
Workforce Investment Act - Adult Program - DPN	17.258	R865494	37,064
Workforce Investment Act - Youth Activities	17.259	R865494, R760358	701,770
Workforce Investment Act - Dislocated Workers	17.260	R865494, R760358	1,014,524
Workforce Investment Act - Dislocated Workers 25%	17.260	R865494, R692510	44,841
Workforce Investment Act - Dislocated Workers - Rapid Response	17.260	R865494	222,871
Workforce Investment Act - Dislocated Workers - NEG	17.260	R865494	14,698
Subtotal Workforce Investment Act Cluster passed through the State Employment Development Department			<u>2,665,694</u>
<b>Total U.S. Department of Labor</b>			<b><u>2,665,694</u></b>
<b>U.S. Department of Transportation</b>			
<u>Direct Federal Program</u>			
Federal Aviation Administration - Airport Improvement Program	20.106	N/A	503,548
Federal Aviation Administration - Airport Improvement Program	20.106	3-06-0241-31	25,337
Federal Aviation Administration - Airport Improvement Program	20.106	3-06-0241-30	401,609
Federal Aviation Administration - Airport Improvement Program	20.106	3-06-0241-29	120,531
Subtotal Federal Aviation Administration - Airport Improvement Program			<u>1,051,025</u>
<u>Passed through the State Department of Transportation</u>			
Highway Planning and Construction	20.205	ER 3644 (001)	65,693
Highway Planning and Construction	20.205	ER 4442 (086)	341,528
Highway Planning and Construction	20.205	DE-STPL A041 (801)	51,002
Highway Planning and Construction	20.205	STPLZ 5920 (035)	6,323
Highway Planning and Construction	20.205	STPLZ 5920 (027)	629,480
Highway Planning and Construction	20.205	STPLZ 5920 (030)	108,890
Highway Planning and Construction	20.205	STPLZ 5920 (059)	36,253
Highway Planning and Construction	20.205	CML 5920(099)	515,000
Highway Planning and Construction	20.205	BRLO-5920(020)	274,831
Highway Planning and Construction	20.205	BHLO 5920 (075)	21,632
Subtotal - Highway Planning and Construction passed through the State Department of Transportation			<u>2,050,632</u>

**COUNTY OF SONOMA, CALIFORNIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Federal Grantor/Grant Name	Federal CFDA No.	Federal Agency/Pass-through Grant Award No.			Expenditures
<b>U.S. Department of Transportation (Continued)</b>					
<u>Passed through the State of California Office of Traffic Safety</u>					
State and Community Highway Safety	20.600	EM807		219,450	
Real Driver's Education	20.600	AL0723		137,769	
Subtotal passed through the State of California Office of Traffic Safety					<u>357,219</u>
<b>Total U.S. Department of Transportation</b>					<b><u>3,458,876</u></b>
<b>U.S. Department of Education</b>					
<u>Passed through the State Department of Alcohol &amp; Drug Programs</u>					
Safe and Drug-Free Schools and Communities - Project Success Partnership	84.186	SDF 07-01		52,623	
Safe and Drug Free Schools and Communities	84.186	SDF 03-01		13,693	
Subtotal passed through the State Department of Alcohol & Drug Programs					<u>66,316</u>
<u>Passed through State Department of Rehabilitation</u>					
Rehabilitation Services Vocational Rehabilitation Grants	84.126	26428			<u>86,745</u>
<b>Total U.S. Department of Education</b>					<b><u>153,061</u></b>
<b>U.S. Election Assistance Commission</b>					
<u>Direct Federal Programs</u>					
Help America Vote Act - Section 301	90.401	07G30142, Amd#1			<u>151,536</u>
<b>Total U.S. Election Assistance Commission</b>					<b><u>151,536</u></b>
<b>U.S. Department of Health and Human Services</b>					
<u>Passed through the National Association of County and City Health Officials</u>					
Medical Reserve Corps Small Grant Program	93.008	MRC080048			<u>5,000</u>
<u>Direct Federal Programs</u>					
Ryan White CARE Act Title IV Program	93.153	6H12HA23035-07-04			313,668
HIV Emergency Relief Project Grants - Minority AIDS Initiative	93.914	H89HA00042		1,028,104	
HIV Emergency Relief Project Grants - Minority AIDS Initiative	93.914	H3MHA08435-01-00		42,802	
Subtotal HIV Emergency Relief Project Grants					<u>1,070,906</u>
HIV Outpatient Early Intervention Services	93.918	6H76HA00580-08-01			<u>429,753</u>
Subtotal Direct Federal Programs					<u>1,814,327</u>
<u>Passed through the State Department of Aging -</u>					
<u>Special Programs for the Aging</u>					
			<u>State Funds</u>		
Title VII B - Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	AP-0708-27	\$ 330		7,401
Title VII A - Long Term Care Ombudsman Services for Older Individuals	93.042	AP-0708-27	4,586		26,500
Title III, Part D - Disease Prevention and Health Promotion Services	93.043	AP-0708-27	1,261		29,243
Title III, Part E - National Family Caregiver Support	93.052	AP-0708-27	-		221,119
Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	AP-0708-27	66,324	648,023	
Title III, Part C - Nutrition Services	93.045	AP-0708-27	127,951	652,250	
Nutrition Services Incentive Program	93.053	AP-0708-27	-	167,179	
Subtotal Aging Cluster					<u>1,467,452</u>
Title XIX Medicaid Waiver	93.778	MS-0708-11	-		857,000
Special Program for the HICAP	93.779	AP 0708-27	307,038		89,152
Subtotal Passed through State Department of Aging			<u>\$ 507,490</u>		<u>2,697,867</u>

**COUNTY OF SONOMA, CALIFORNIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Federal Grantor/Grant Name	Federal CFDA No.	Federal Agency/Pass-through Grant Award No.	Expenditures
<b>U.S. Department of Health and Human Services (Continued)</b>			
<u>Passed through the State Department of Mental Health</u>			
Projects for Assistance in Transition from Homelessness	93.150	N/A	59,522
Block Grants for Community Mental Health Services (SAMHSA)	93.958	N/A	245,349
Subtotal passed through the State Department of Mental Health			304,871
<u>Passed through the State Department of Public Health</u>			
Tuberculosis Prevention & Control	93.116	TBCB-49	20,000
Immunization Grants	93.268	07-65254	126,967
Community Challenge	93.558	05-45253-A01	209,836
National Bioterrorism Hospital Preparedness	93.889	U3RHS05953-01-01	300,371
CDC - Investigations and Technical Assistance:			
Preparedness and Response to Bioterrorism	93.283	N/A	939,276
Medical Assistance Program - Childhood Lead Poisoning	93.778	05-45175	33,520
Medical Assistance Program - Adolescent Family Life	93.778	2007-049	217,670
Medical Assistance Program - Maternal Child and Adolescent Health Grant	93.778	2007-049	386,206
Subtotal Medical Assistance Program			637,396
Maternal and Child Health Services Block Grants	93.994	2007-49	139,796
Maternal and Child Health Services Block Grants - Adolescent Family Life - Title V	93.994	2007-49	146,973
Subtotal Maternal and Child Health Services Block Grants			286,769
Subtotal Passed through the State Department of Public Health			2,520,615
<u>Passed through the State Department of Health Care Services</u>			
Prevention Health and Health Services Block Grant	93.991	N/A	660,424
State Children's Insurance Program	93.767	N/A	302,155
Medical Assistance Program - Children	93.778	N/A	966,390
Medical Assistance Program - Targeted Case Management	93.778	49-0712	113,015
Subtotal Medical Assistance Program			1,079,405
Subtotal passed through the State Department of Health Care Services			2,041,984
<u>Passed through the State Department of Education</u>			
Child Care	93.596	CAPP-7080	141,063
<u>Passed through the State Department of Public Health - Office of AIDS</u>			
HIV Care Formula Grants	93.917	07-65088-A01	322,741
HIV Care Formula Grants - Part B	93.917	06-55778	212,000
Subtotal HIV Care Formula Grants			534,741
HIV Early Intervention	93.940	07-65088-A01	13,200
Subtotal Passed through State Department of Public Health - Office of AIDS			547,941
<u>Passed through the State Department of Rehabilitation</u>			
Promoting Safe and Stable Families	93.556	N/A	286,126
Refugee and Entrant Assistance	93.566	N/A	10,609
Subtotal Passed through the State Department of Rehabilitation			296,735
<u>Passed through the California Secretary of State</u>			
Help America Vote Act - Disabilities	93.617	07G26128	106

See accompanying notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF SONOMA, CALIFORNIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Federal Grantor/Grant Name	Federal CFDA No.	Federal Agency/Pass-through Grant Award No.	Expenditures
<b>U.S. Department of Health and Human Services (Continued)</b>			
<u>Passed through the State Department of Alcohol and Drug Programs</u>			
Substance Abuse and Mental Services -			
Projects of Regional and National Significance	93.243	SIG04-01	163,973
Block Grants for Prevention and Treatment of Substance Abuse	93.959	07-NNA49	2,621,199
Subtotal passed through the State Department of Alcohol and Drug Programs			<u>2,785,172</u>
<u>Passed through the State Department of Social Services</u>			
Temporary Assistance for Needy Families - Program Administration	93.558	11001	18,074,168
Temporary Assistance for Needy Families - FGU	93.558	11001	14,992,388
Subtotal Temporary Assistance for Needy Families			33,066,556
Child Support Enforcement	93.563	N/A	10,108,517
Child Welfare Services - Title IV-B	93.645	12313	300,892
Foster Care Assistance - Title IV-E	93.658	12307	2,155,139
Foster Care Assistance Administration - Title IV-E	93.658	0601CA1401	3,980,241
Foster Care - Title IV-E	93.658	12307	2,439,644
Subtotal Foster Care			8,575,024
Social Services Block Grant	93.667	N/A	1,045,109
Adoption Assistance Administration	93.659	12402	1,913,443
Adoption Assistance Administration	93.659	12402	594,678
Subtotal Adoption Assistance			2,508,121
Chafee Foster Care Independent Program	93.674	12332	127,459
Medical Assistance Program - Administration	93.778	N/A	3,081,517
Medical Assistance Program	93.778	05-45175	11,074,003
Subtotal Medical Assistance Program Grants			14,155,520
Subtotal Passed through the State Department of Social Services			<u>69,887,198</u>
Subtotal Passed through			<u>81,228,552</u>
<b>Total U.S. Department of Health and Human Services</b>			<b><u>83,042,879</u></b>
<b>U.S. Department of Homeland Security</b>			
<u>Passed through the State Office of Emergency Services</u>			
Public Disaster Assistance (President declared)	97.036	DR - 1628	1,042
Public Disaster Assistance (President declared)	97.036	DR - 1646	602,824
Subtotal Public Disaster Assistance (President declared)			603,866
Emergency Management Performance Grants	97.042	2007-6	25,276
Emergency Management Performance Grants	97.042	2008-9	78,622
Subtotal Emergency Management Performance Grants			103,898
Assistance to Firefighters	97.044	EMW-2007-FO-10434	403,905
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2005-FF0253	69,185
State Homeland Security Program (SHSP)	97.073	2006-71	513,598
State Homeland Security Program (SHSP)	97.073	2007-0008	415,798
Subtotal Homeland Security Grant Program			929,396
Subtotal Passed through the State Office of Emergency Services			<u>2,110,250</u>
<b>Total U. S. Department of Homeland Security</b>			<b><u>2,110,250</u></b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b><u>\$ 118,760,156</u></b>

See accompanying notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF SONOMA, CALIFORNIA**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**NOTE 1 – GENERAL**

The accompanying schedule of expenditures of federal awards (SEFA) for the fiscal year ended June 30, 2008, presents the activity of all federal award programs of the County of Sonoma, California (County) with the exception of the federal award programs of the Sonoma County Community Development Commission and the County of Sonoma Transportation Project Fund (Transit), which were subject to separate audits by independent auditors.

The expenditures incurred under federal award programs audited by other auditors are as follows:

Sonoma County Community Development Commission	\$ 30,763,206
Sonoma County Transportation Project Fund	698,190

The County 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 SEFA.

**NOTE 2 – BASIS OF ACCOUNTING**

The accompanying SEFA is presented using the modified accrual basis of accounting for grants accounted for in the governmental fund types and the accrual basis of accounting for grants accounted for in the proprietary fund types, as described in Note 1 to the County’s basic financial statements.

**NOTE 3 – CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBERS**

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

**NOTE 4 – FOOD STAMPS**

Food stamps expenditures of \$19,735,096 represent the face value of food stamps distributed in the County. They do not represent cash expenditures and accordingly are not reported in the County’s basic financial statements for the fiscal year ended June 30, 2008.

**COUNTY OF SONOMA, CALIFORNIA**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**NOTE 5 – AMOUNT PROVIDED TO SUBRECIPIENTS**

Of the total federal expenditures presented in the SEFA, the following amounts were passed through to subrecipients:

Program Title	Federal CFDA Number	Amount Provided to Subrecipients
State Administrative Matching Grant for Food Stamp Program	10.561	\$ 85,278
Housing Opportunities for Persons with AIDS	14.241	296,631
Workforce Investment Act Cluster	17.259	580,035
State and Community Highway Safety	20.600	9,750
Title VII A - Long Term Care Ombudsman Services for Older Individuals	93.042	26,107
Title III-Part D - Disease Prevention and Health Promotion Services	93.043	18,829
Title III, Part E - National Family Caregiver Support Aging Cluster	93.052 93.044-45/53	166,412 1,082,815
Ryan White CARE Act Title IV Program	93.153	173,170
Substance Abuse and Mental Services - Projects of Regional and National Significance	93.243	146,601
Immunization Grants	93.268	102,796
Promoting Safe and Stable Families	93.556	170,989
Temporary Assistance for Needy Families	93.558	484,083
Medical Assistance Program	93.778	90,311
Special Program for the HICAP	93.779	81,051
National Bioterrorism Hospital Preparedness	93.889	110,907
HIV Emergency Relief Project Grants	93.914	502,141
HIV Outpatient Early Intervention Services	93.918	54,945
Block Grants for Community Mental Health Services	93.958	249,393
Block Grants for Prevention and Treatment of Substance Abuse	93.959	1,107,151
Maternal Child & Adolescent Health-Title V	93.994	10,000
Total		<u>\$ 5,549,395</u>

**COUNTY OF SONOMA, CALIFORNIA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**NOTE 6 – PROGRAM TOTALS**

The schedule of expenditure of federal awards does not summarize programs that cross agency funding sources. The following summarizes those programs that cross agency funding sources:

<u>Program/Cluster</u>	<u>CFDA#</u>	<u>Pass Through Agency</u>	<u>Amount</u>
Foodstamps Cluster			
Foodstamps	10.551	State Department of Social Services	\$ 19,735,096
State Administrative Matching	10.561	State Department of Social Services	2,314,873
Grant for Food Stamp Program	10.561	State Department of Public Health	136,399
		Total Foodstamps Cluster	<u>\$ 22,186,368</u>
 Medical Assistance Program			
	93.778	State Department of Aging	\$ 857,000
	93.778	State Department of Health Care Services	1,079,405
	93.778	State Department of Public Health	637,396
	93.778	State Department of Social Services	14,155,520
		Program Total	<u>\$ 16,729,321</u>
 Temporary Assistance for Needy Families			
	93.558	State Department of Social Services	\$ 33,066,556
	93.558	State Department of Public Health	209,836
		Program Total	<u>\$ 33,276,392</u>

**NOTE 7 – SCHEDULE OF STATE OF CALIFORNIA OFFICE OF EMERGENCY SERVICES  
GRANT EXPENDITURES**

The following represents the State of California Office of Emergency Services grant expenditures, by department, for the fiscal year ended June 30, 2008. Budgets are established at the combined grant level.

Vertical Prosecution – Grant No. VB 07050490

<u>Department/Category</u>	<u>State Funded Expenditures</u>		
	2008		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
District Attorney:			
Personal services	\$ 316,079	\$ 308,357	\$ 7,722

**COUNTY OF SONOMA, CALIFORNIA**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**NOTE 7 – SCHEDULE OF STATE OF CALIFORNIA OFFICE OF EMERGENCY SERVICES**  
**GRANT EXPENDITURES (CONTINUED)**

Narcotics Elimination Task Force - Grant No. DC 07180490

<u>Department/Category</u>	<i>Federally Funded Expenditures</i>		
	<u>Budget</u>	<u>2008 Actual</u>	<u>Variance</u>
<b>Sheriff:</b>			
Personal services	\$ 39,488	\$ 39,410	\$ 78
Operating expenses	5,049	5,049	-
Equipment	11,479	11,479	-
<b>Subtotal Sheriff</b>	<u>56,016</u>	<u>55,938</u>	<u>78</u>
<b>District Attorney:</b>			
Personal services	36,041	36,119	(78)
<b>Probation:</b>			
Personal services	122,998	122,998	-
<b>Totals:</b>			
Personal services	198,527	198,527	-
Operating expenses	5,049	5,049	-
Equipment	11,479	11,479	-
<b>Total</b>	<u>\$ 215,055</u>	<u>\$ 215,055</u>	<u>\$ -</u>

California Multi-Jurisdictional Meth Enforcement Team - Grant No. MH-07020490

<u>Department/Category</u>	<i>State Funded Expenditures</i>		
	<u>Budget</u>	<u>2008 Actual</u>	<u>Variance</u>
<b>Sheriff:</b>			
Personal services	\$ 306,434	\$ 306,434	\$ -
Operating expenses	47,293	47,293	-
<b>Total</b>	<u>\$ 353,727</u>	<u>\$ 353,727</u>	<u>\$ -</u>

**COUNTY OF SONOMA, CALIFORNIA**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**NOTE 7 – SCHEDULE OF STATE OF CALIFORNIA OFFICE OF EMERGENCY SERVICES**  
**GRANT EXPENDITURES (CONTINUED)**

Marijuana Suppression Program - Grant No. MH 07150490

<u>Department/Category</u>	<u>Federally Funded Expenditures</u>		
	<u>Budget</u>	<u>2008 Actual</u>	<u>Variance</u>
<b>Sheriff:</b>			
Personal services	\$ 35,380	\$ 35,475	\$ (95)
Operating expenses	4,241	4,241	-
Equipment	34,245	34,245	-
<b>Subtotal Sherriff</b>	<u>73,866</u>	<u>73,961</u>	<u>(95)</u>
<b>District Attorney:</b>			
Personal services	<u>103,303</u>	<u>103,208</u>	<u>95</u>
<b>Totals:</b>			
Personal services	138,683	138,683	-
Operating expenses	4,241	4,241	-
Equipment	34,245	34,245	-
<b>Total</b>	<u>\$ 177,169</u>	<u>\$ 177,169</u>	<u>\$ -</u>

California Multi-Jurisdictional Meth Enforcement Team- Grant No. MH 06010490

<u>Department/Category</u>	<u>Budget</u>	<u>State Funded Expenditures</u>		<u>Total</u>	<u>Variance</u>
		<u>2007 Actual</u>	<u>2008 Actual</u>		
<b>Sheriff:</b>					
Personal services	\$ 211,056	\$ 160,391	\$ 50,665	\$ 211,056	\$ -
Operating expenses	93,308	77,358	15,950	93,308	-
Equipment	75,658	74,860	798	75,658	-
<b>Total</b>	<u>\$ 380,022</u>	<u>\$ 312,609</u>	<u>\$ 67,413</u>	<u>\$ 380,022</u>	<u>\$ -</u>

**COUNTY OF SONOMA, CALIFORNIA**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**NOTE 8 – ADDITIONAL INFORMATION FOR CALIFORNIA DEPARTMENT OF AGING**

The following represents the State of California Department of Aging grant expenditures, for the fiscal year ended June 30, 2008.

Community Based Services Programs and Special Deposit

Contract AP-0708-27 - State Funded

	<b>Amount</b>
Alzheimers' Day Care Resource Center Program	\$ 73,789
Brown Bag Program	23,557
Linkages Program	227,962
Respite Purchase of Service	10,394
Administrations	37,300
Ombudsman Initiative (Special Deposit)	26,107
	<u>\$ 399,109</u>



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WALNUT CREEK

OAKLAND

LOS ANGELES

NEWPORT BEACH

SAN MARCOS

SAN DIEGO

To the Honorable Members of the  
 Board of Supervisors  
 County of Sonoma, California

**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**

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 Sonoma, California (the County), as of and for the fiscal year ended June 30, 2008, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 19, 2008. We did not audit the financial statements of the Sonoma County Community Development Commission major Special Revenue Fund. Also, we did not audit the financial statements of the Sonoma County Library, the Sonoma County Fair and Exposition, Inc., and the County of Sonoma Transportation Project Fund (Transit) which represent the following percentages of assets, net assets/fund balances and revenues as of and for the fiscal year ended June 30, 2008:

<u>Opinion Unit</u>	<u>Assets</u>	<u>Net assets/ fund balance</u>	<u>Revenues</u>
Governmental Activities	4.4%	8.1%	7.4%
Business-type Activities	8.7%	13.3%	18.7%
Aggregate Remaining Fund Information	4.1%	4.9%	16.2%

Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for those entities, are based solely on the reports of the other auditors. Our report contained an explanatory paragraph describing the County's adoption of the provisions of Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues* and GASB Statement No. 50, *Pension Disclosures-an amendment of GASB Statements No. 25 and No. 27*, effective July 1, 2007. 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 Sonoma County Community Development Commission major Special Revenue fund, Sonoma County Library and the Sonoma Transportation Project Fund, as described in our report on the County's financial statements. This report does not include the results of other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Sonoma County Fair and Exposition, Inc, were not audited in accordance with *Government Auditing Standards*.

### *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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2008-A and 2008-B to be significant deficiencies in internal control over financial reporting.

A *material weakness* is a significant deficiency, or combination of significant deficiencies that result in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider Item 2008-A to be a material weakness.

### *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*.

The County's response to the findings 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, express no opinion on it. Certain additional matters were communicated to the Board of Supervisors in a separate letter.

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

*Macinn Mini & O'Connell LLP*

Certified Public Accountants

Sacramento, California

December 19, 2008



**MACIAS GINI & O'CONNELL** LLP  
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NEWPORT BEACH

SAN MARCOS

SAN DIEGO

To the Honorable Members of the  
 Board of Supervisors  
 County of Sonoma, California

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
 APPLICABLE TO EACH MAJOR PROGRAM, INTERNAL CONTROL OVER COMPLIANCE  
 AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 IN ACCORDANCE WITH OMB CIRCULAR A-133**

*Compliance*

We have audited the compliance of County of Sonoma, California (County), 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 fiscal year ended June 30, 2008. 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.

The County's basic financial statements include the operations of the following entities, which are not included in the schedule of expenditures of federal awards for the year ended June 30, 2008:

<u>Entity</u>	<u>Federal Expenditures</u>
Sonoma County Community Development Commission	\$ 30,763,206
Sonoma County Transportation Project Fund	698,190

Our audit, described below, did not include the operations of those entities as those entities were audited by other auditors in accordance with OMB Circular A-133.

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 fiscal year ended June 30, 2008.

### *Internal Control Over Compliance*

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not to 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 *control deficiency* in an entity's internal control over compliance exists when the design operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

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 it.

### *Schedule of Expenditures of Federal Awards*

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of and for the fiscal year ended June 30, 2008, and have issued our report thereon dated December 19, 2008. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. We did not audit the financial statements of the Sonoma County Community Development Commission major Special Revenue Fund. Also, we did not audit the financial statements of the Sonoma County Library, the Sonoma County Fair and Exposition, Inc., and the County of Sonoma Transportation Project Fund (Transit), which represent the following percentages of assets, net assets/fund balances and revenues as of and for the fiscal year ended June 30, 2008:

<u>Opinion Unit</u>	<u>Assets</u>	<u>Net assets/ fund balance</u>	<u>Revenues</u>
Governmental Activities	4.4%	8.1%	7.4%
Business-type Activities	8.7%	13.3%	18.7%
Aggregate Remaining Fund Information	4.1%	4.9%	16.2%

Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for those entities, are based solely on the reports of the other auditors.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. The schedule of expenditures of federal awards does not include the expenditures of federal awards made by the Sonoma County Community Development Commission or the Sonoma County Transportation Project Fund as those entities are audited by other auditors in accordance with OMB Circular A-133. The schedule of expenditures of federal awards 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 County Board of Supervisors, County management, 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.

*Maclean Mini & O'Connell LLP*

Certified Public Accountants

Sacramento, California

March 16, 2009, except for the  
schedule of expenditures of federal awards,  
as to which the date is December 19, 2008

**COUNTY OF SONOMA, CALIFORNIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**Section I – Summary of Auditor’s Results**

Financial Statements:

Type of auditor’s report issued:	Unqualified
Internal control over financial reporting:	
• Material weaknesses identified?	Yes
• Significant deficiencies identified that are not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

Federal Awards:

Internal control over major programs:	
• Material weaknesses identified?	No
• Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Type of auditor’s report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	No
Identification of major programs:	
<u>Program Title</u>	<u>CFDA</u>
Foodstamps Cluster	10.551/10.561
Temporary Assistance for Needy Families	93.558
Medical Assistance Program	93.778
Dollar threshold used to distinguish between Type A and Type B programs:	\$3,000,000
Auditee qualified as low-risk auditee?	No

**COUNTY OF SONOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**Section II – Financial Statement Findings**

**Item: 2008-A CAPITALIZATION OF CONSTRUCTION IN PROGRESS**

**Condition:**

During our audit we discovered that expenses related to certain maintenance projects over a five-year period had been incorrectly capitalized, primarily during the Water Agency's implementation for the retroactive reporting of infrastructure pursuant to Governmental Accounting Standards Board (GASB) Statement No. 34.

**Effect:**

As a result, the Water Agency recorded a prior period adjustment and restated beginning net assets for governmental activities and reduced capital assets by \$8,023,704.

**Cause:**

The project costs were inappropriately capitalized as construction in progress because the projects were incorrectly established within the Water Agency's Project Cost Accounting System (PCAS).

**Recommendation:**

We recommended that a formal process be established which would require the approval from the Sonoma County Auditor-Controller's Office before inputting new projects into the PCAS. The approval process would ensure that at the inception of the projects undertaken by the County, such project costs are properly identified as either capital projects or ongoing repairs and maintenance projects.

**Management Response:**

The audit of the 2006-2007 financial statements revealed that there had been a misclassification of project costs associated with certain maintenance projects. This discovery led to several changes to our project classification process during 2007-2008. The changes to our processes, which should be sufficient to prevent this type of error from occurring again, are listed below:

The Fiscal Services Unit has revised the "Project Request Form". This form includes more detail for capital projects and asset ownership. All requests will be forward to the County of Sonoma Auditor-Controller's Office for approval before project numbers are assigned. These improvements will more accurately identify and communicate proper classification of all projects at the start. The Auditor-Controller's Office and Agency staff have reviewed and updated the capitalization policy and have worked closely with all Agency managers and project managers to assure understanding of the basic requirements for capitalizing projects.

Semi-annual meetings have been set-up with Administration, Fiscal Services, Engineering and all project managers to review current expenditures, activity and to provide additional training and review of the capitalization policy. The Fiscal Services Unit is currently developing a project completion notification process to add a final decision point on classification and to assure the timely close-out of projects.

**COUNTY OF SONOMA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**Section II – Financial Statement Findings**

**Item: 2008-B RECONCILIATION OF CASH & INVESTMENTS**

**Condition:**

During our audit we discovered that the County did not identify certain cash and investment accounts for reconciliation purposes totaling \$1,360,406. Furthermore, the total County's cash and investments balance was not reconciled to the general ledger.

**Effect:**

The County's cash and investment accounts and related notes to the financial stated were inaccurate when provided to auditor, resulting in adjustments to the financial statements.

**Cause:**

The County does not have proper internal controls in place over its financial reporting of its cash and investments to ensure all bank accounts held by the County are accurately recorded and disclosed in its financial statements in accordance with Generally Accepted Accounting Principles.

**Recommendation:**

We recommend the County design and implement procedures and internal controls for identifying all bank and investment accounts managed by the County Treasurer and reconcile the balances to the general ledger.

**Management Response:**

Management agrees with the recommendation and will design and implement internal controls and processes to ensure financial reporting of the County's cash and investments is complete and accurate in accordance with Generally Accepted Accounting Principles.

**COUNTY OF SONOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**Section III – Federal Award Findings and Questioned Costs**

None.

**COUNTY OF SONOMA**  
**STATUS OF PRIOR YEEAR FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**Reference Number:** 2007-A

**Audit Finding:** During our audit, we noted that the Water Agency, a blended component unit of the County had incorrectly capitalized certain costs incurred in prior year associated with the Mumford Dam and Crocker Creek fish passages projects.

**Status of Corrective Action:** The Water Agency implemented a new process for assigning project numbers in its project cost accounting system which utilizes a control form that is to be completed prior to the issuance of a projected number.. Included on the form is a field that requires a description of the project and whether or not the project should be classified as Capitalizable. The Auditor Controller's Office is consulted when a final determination is required.

**Reference Number:** 2007-B

**Audit Finding:** During our audit, we noted that the County had \$19,047,041 related to the landfill's expansion that was incorrectly recorded as land rather than site improvements. It was also determined that \$13,588,976 related to completed projects and \$1,802,671 other non-capital activities were inappropriately included in construction in progress rather than site improvements and expense, respectively. The County recorded accumulated depreciation related to the above reclassifications in the amount of \$26,951,722.

**Status of Corrective Action:** The Auditor-Controller's Office now works with project supervisors to review and approve the accounting treatment of project costs prior to inputting new projects into its CAS.

**Reference Number:** 2007-01

**Federal Catalog Number/  
Program Name:** 93.778 Medical Assistance Program

**Audit Finding:** During our review of 40 participant files, we noted five cases in which the required annual re-determinations had not been conducted and/or documented and three cases in which the IEVS form was not signed and dated.

**Status of Corrective Action:** Per our audit of the medical program, participants selected for testing annual re-determinations were properly conducted and all IEVS forms were signed, dated and properly uploaded to the CalWin system.