

COUNTY OF SHASTA
SINGLE AUDIT REPORT
JUNE 30, 2007

COUNTY OF SHASTA

Single Audit Report
For the Year Ended June 30, 2007

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

Board of Supervisors and Grand Jury
County of Shasta
Redding, California

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Shasta, as of and for the year ended June 30, 2007, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 24, 2007. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Shasta Regional Transportation Planning Agency, as described in our report on the County of Shasta'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 of Shasta's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and 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 entity's ability to initiate, authorize, record,

Internal Control Over Financial Reporting (continued)

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 deficiency described in the accompanying schedule of findings and questioned costs (07-FS-1) to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results 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 07-FS-1 to be a material weakness.

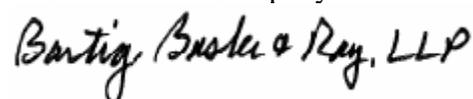
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Shasta'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 County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information of the audit committee, 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.

BARTIG, BASLER & RAY, LLP
A Gallina LLP Company



Roseville, California
December 24, 2007



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

Board of Supervisors and Grand Jury
County of Shasta
Redding, California

Compliance

We have audited the compliance of the County of Shasta, 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, 2007. The County of Shasta'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 of Shasta's management. Our responsibility is to express an opinion on the County of Shasta's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County of Shasta's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County of Shasta's compliance with those requirements.

In our opinion, the County of Shasta 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, 2007. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 07-SA-1, 07-SA-2, and 07-SA-3.

Board of Supervisors and Grand Jury
County of Shasta

Internal Control Over Compliance

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

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

A *control deficiency* in an entity's internal control over compliance 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 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 non-compliance 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 07-SA-1, 07-SA-2 and 07-SA-3 to be significant deficiencies.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material non-compliance with a type of compliance requirements of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, we consider items 07-SA-1, 07-SA-2, and 07-SA-3 to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, and business-type activities, each major fund, and the aggregate remaining fund information of the County of Shasta as of and for the year ended June 30, 2007, and have issued our report thereon dated December 24, 2007. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. 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

Board of Supervisors and Grand Jury
County of Shasta

Schedule of Expenditures of Federal Awards (continued)

financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The Supplementary Statements of Grant Expenditures have not been subjected to auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

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, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, management, the Board of Supervisors, 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 these specified parties.

BARTIG, BASLER & RAY, LLP
A Gallina LLP Company

Bartig Basler & Ray, LLP

Roseville, California
December 24, 2007

COUNTY OF SHASTA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Agriculture</u>			
Direct Programs:			
Cooperative Forestry Assistance:			
Cooperative Patrol	10.664	--	\$ 42,753
Cooperative Law Enforcement, Drug Suppression	10.664	--	31,599
Subtotal Direct			<u>74,352</u>
Passed through State Department of Food and Agriculture:			
Glassy-Winged Sharpshooter Pierce's Disease Program	10.000	05-0387	85,365
Pest Detection Trapping	10.000	05-0266	76,779
Shasta County Weed Eradication Project	10.000	05-0140	21,773
Shasta County Agricultural Commissioner's Noxious Weed Eradication Project on CalTrans Right-of-Way on I-5 Corridor	10.000	04-DG-11051400- 008	22,601
Sudden Oak Death (SOD) Statewide Emergency Response	10.000	05-0454	1,192
School Breakfast Program	10.553	--	104,234
Water and Waste Disposal Systems for Rural Counties	10.760	--	682,885
Subtotal Pass-Through			<u>994,829</u>
Passed through State Department of Education:			
National School Lunch Program	10.555	--	<u>239,172</u>
Passed through State Department of Forestry and Fire:			
Volunteer Fire Assistance	10.664	--	<u>5,225</u>
Passed through State Department of Health Services:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	--	866,024
Nutrition Network	10.561 *	--	697,030
Subtotal Pass-Through			<u>1,563,054</u>
Passed through State Department of Social Services:			
Food Stamps	10.551 *	--	16,500,192
State Administrative Matching Grants for Food Stamp Program	10.561 *	--	1,274,191
Subtotal Pass-Through			<u>17,774,383</u>

* Major Program

COUNTY OF SHASTA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Agriculture</u> (continued)			
Passed through State Controller's Office:			
Schools and Roads - Grants to States	10.665	--	\$ 2,464,794
Total U.S. Department of Agriculture			\$ 23,115,809
<u>U.S. Department of Housing and Urban Development</u>			
Passed through the State Department of Housing and Community Development:			
Community Development Block Grant/State's Program	14.228	--	155,566
HOME Investment Partnership Program	14.239	--	328,074
Section 8 Housing Choice Vouchers	14.871 *	--	2,896,938
Total U.S. Department of Housing and Urban Development			\$ 3,380,578
<u>U.S. Department of Interior</u>			
Direct Program:			
Recreation Resource Management	15.225	--	235,109
Total U.S. Department of Interior			\$ 235,109
<u>U.S. Department of Justice</u>			
Direct Programs:			
Local Law Enforcement Block Grant	16.592	--	22,692
Domestic Violence Accountability Program	16.590	--	58,696
Domestic Cannabis Eradication/Suppression	16.579	--	90,465
Subtotal Direct			171,853
Passed through State Office of Emergency Services:			
Child Abuse Treatment Program	16.575	AT05020450	13,052
Child Abuse Treatment Program	16.575	AT06030450	87,606
Victim Witness Assistance Program	16.575	VW06250450	87,511
Marijuana Suppression	16.738	MS06170450	118,905
Shasta Interagency Narcotic Task Force	16.738	DC06190450	138,355
Subtotal Pass-Through			445,429

* Major Program

COUNTY OF SHASTA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Justice (continued)</u>			
Passed through State Board of Control:			
Integrated Justice System Document Availability	16.523	CSA 116-06	\$ 13,603
Total U.S. Department of Justice			<u>\$ 630,885</u>
<u>U.S. Department of Transportation</u>			
Direct Program:			
Airport Improvement Program	20.106 *	--	<u>5,179,610</u>
Passed through State Department of Transportation:			
Highway Planning and Construction	20.205	BRLS-5906(055)	336,376
Highway Planning and Construction	20.205	BRLS-5906(063)	413,440
Highway Planning and Construction	20.205	BHLD-5906(077)	11,005
Highway Planning and Construction	20.205	BHLS-5906(076)	4,113
Highway Planning and Construction	20.205	BRLO-5906(057)	313,624
Highway Planning and Construction	20.205	BRLO-5906(062)	(35,383)
Highway Planning and Construction	20.205	BRLO-5906(067)	590,743
Highway Planning and Construction	20.205	BRLO-5906(069)	863,493
Highway Planning and Construction	20.205	BRLO-5906(070)	496
Highway Planning and Construction	20.205	BRLO-5906(071)	84,364
Highway Planning and Construction	20.205	BRLO-5906(072)	168,179
Highway Planning and Construction	20.205	RSTPLE-5906(075)	11,096
Subtotal Pass-Through			<u>2,761,546</u>
Passed through State Regional Transportation Planning Agency:			
Highway Planning and Construction	20.205	--	<u>364,848</u>
Passed through State Department of Health Services:			
State and Community Highway Safety	20.600	SA0007	<u>264,182</u>
Passed through San Diego County Probation Department:			
State and Community Highway Safety	20.600	--	<u>21,809</u>
Total U.S. Department of Transportation			<u>\$ 8,591,995</u>

* Major Program

COUNTY OF SHASTA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Environmental Protection Agency</u>			
Passed through Air Pollution Control Officers Association:			
EPA Particulate Monitoring 2.5	66.034	CAPCOA / X-999939-01-0	\$ 4,880
Total U.S. Environmental Protection Agency			\$ 4,880
<u>U.S. Department of Education</u>			
Passed through State Department of Alcohol and Drug Programs:			
Safe & Drug-Free Schools & Communities	84.186	SDF03-02	109,984
Total U.S. Department of Education			\$ 109,984
<u>U.S. General Services Administration</u>			
Passed through Secretary of State:			
HAVA Section 31 Voting Systems Program	90.401	05GR301045	596,954
Total U.S. General Service Administration			\$ 596,954
<u>U.S. Department of Health and Human Services</u>			
Passed through State Department of Alcohol & Drug Prevention:			
Block Grants for Community Mental Health Services	93.958	--	261,653
Block Grants - Prevention & Treatment of Substance Abuse	93.959	--	1,402,352
Subtotal Pass-Through			1,664,005
Passed through Secretary of State:			
HAVA Elections Assistance for Individuals with Disabilities	93.617	05GREAID61	19,843
Passed through the State Department of Mental Health:			
Projects for Assistance - Transition from Homelessness	93.150	--	53,498
Passed through State Department of Health Services:			
Childhood Lead Poisoning Prevention Projects	93.197	--	22,862
Immunization Program	93.268	--	53,170
Bioterrorism Preparedness	93.283	--	479,203

* Major Program

COUNTY OF SHASTA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Health and Human Services</u> (continued)			
Passed through State Department of Health Services (continued):			
Adult Protective Services (Health-related)	93.000	--	\$ 527,226
Child Welfare Services (Health-related)	93.000	--	1,341,186
In-Home Supportive Services Admin (Health-related)	93.000	--	926,995
Medical Assistance Program:			
Children's Medical Services	93.778	--	447,986
Child Health and Disability Program (CHDP)	93.778	--	387,120
Medi-Cal Administrative Activities (MAA)	93.778	--	67,868
Medical Assistance Program Administration	93.778	--	3,073,911
Targeted Case Management (TCM)	93.778	--	153,511
Preventive Health Services-Research, Demonstrations, and Public Information and Education	93.978	--	40,000
Preventive Health And Health Services Block Grant:			
Project LEAN (Leaders Encouraging Activity and Nutrition)	93.991	--	18,000
Maternal Child Adolescent Health (MCAH)	93.994	--	254,488
Subtotal Pass-Through			<u>7,793,526</u>
Passed through State Department of Social Services:			
Temporary Assistance for Needy Families:			
TANF, KINGAP, Diversion, Emergency Assistance Foster Care-Assistance Payments	93.558	--	8,920,568
TANF, KINGAP, Diversion, Emergency Assistance Foster Care-Administration	93.558	--	9,330,435
Subtotal CFDA 93.558			<u>18,251,003</u>
Foster Care - Title IV-E:			
Foster Care - Title IV-E - CWS, Licensing, Foster Parent Training/Recruitment, Options for Recovery	93.658	--	3,387,239
Foster Care - Title IV-E - AFDC Foster Care, Wraparound Foster Care Placement	93.658	--	2,521,203
Foster Care - Title IV-E (Probation)	93.658	--	2,616,180
Foster Care - Title IV-E SB 933	93.658	--	49,273
Subtotal CFDA 93.658			<u>8,573,895</u>

COUNTY OF SHASTA

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2007

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</u> (continued)			
Passed through State Department of Social Services (continued):			
Promoting Safe and Stable Families (PSSF)	93.556	--	\$ 158,556
Child Welfare Services Title IV-B	93.645	--	145,076
Adoption Assistance	93.659 *	--	3,890,906
Child Welfare Services (CWS) Title XX - Licensing Title XX	93.667	--	448,848
Independent Living Program (ILP)	93.674	--	121,230
Medical Assistance Program - IHSS Public Authority	93.778	--	278,683
Subtotal			5,043,299
Subtotal Pass-Through			31,868,197
Passed through State Department of Child Support Services:			
Child Support Enforcement	93.563 *	--	5,395,386
Passed through State Department of Community Services and Development:			
Community Services Block Grant	93.569	06F-4746	206,798
Subtotal CFDA 93.569			206,798
Total U.S. Department of Health and Human Services			\$ 47,001,253
<u>U.S. Corporation for National and Community Service</u>			
Direct Program:			
Retired and Senior Volunteer Program	94.002	--	78,521
Total U.S. Corporation for National Community Service			\$ 78,521
<u>U.S. Department of Homeland Security</u>			
Direct Programs:			
Emergency Food and Shelter National Board Program	97.024	--	2,359
Emergency Management Performance Grants	97.042	--	70,075
Subtotal Direct			72,434
Passed through State Office of Emergency Services:			
State Domestic Preparedness Equipment Support Program:			

* Major Program

COUNTY OF SHASTA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
State Homeland Security - LETPP (FY 2005)	97.074	--	50,968
State Homeland Security - SHSP (FY 2005)	97.073	--	194,604
<u>U.S. Department of Homeland Security (continued)</u>			
Passed through State Office of Emergency Services (continued):			
State Homeland Security - LETPP (FY 2006)	97.074	--	\$ 85,289
State Homeland Security - SHSP (FY 2006)	97.073	--	61,937
State Homeland Security - BZPP (FY 2005)	97.078	--	97,000
Subtotal Pass-Through			<u>489,798</u>
Total U.S. Department of Homeland Security			<u>\$ 562,232</u>
Total Expenditures of Federal Awards			<u><u>\$ 84,308,200</u></u>

COUNTY OF SHASTA

Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2007

Note 1: **Reporting Entity**

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

Note 2: **Basis of Accounting**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the County and is presented on Generally Accepted Accounting Principles. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

Note 3: **Relationship to Financial Statements**

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

Note 4: **Subrecipients**

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

<u>Federal CFDA</u>	<u>Program Title</u>	<u>Amount Provided to Subrecipients</u>
16.575	Child Abuse Treatment Program	\$ 99,459
16.590	Domestic Violence Accountability Program	40,837
84.186	Safe and Drug-Free Schools and Communities	93,430
93.958	Block Grants for Community Mental Health Services	150,227
93.959	Block Grants – Prevention and Treatment of Substance Abuse	208,851

COUNTY OF SHASTA

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

Note 5: **Federally-Funded Loans Receivable**

The programs listed below had the following aggregate, federally-funded loans receivable outstanding at June 30, 2007:

<u>Federal CFDA</u>	<u>Program Title</u>	<u>Amount Outstanding</u>
14.228	Community Development Block Grant/State's Program	\$ 3,258,733
14.239	HOME Investment Partnerships Program	<u>5,058,922</u>
	Total	<u>\$ 8,317,655</u>

Note 6: **Federally-Funded Loans Payable**

The program listed below had the following aggregate, federally-funded loans payable outstanding at June 30, 2007:

<u>Federal CFDA</u>	<u>Program Title</u>	<u>Amount Outstanding</u>
10.760	Water and Waste Disposal Systems for Rural Counties	\$ 682,885

Note 7: **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>Food Stamp Cluster:</u>		
10.551	Food Stamps	\$ 16,500,192
10.561	Nutrition Network	697,030
10.561	State Administrative Matching Grants for Food Stamp Program	<u>1,274,191</u>
	Total	<u>\$ 18,471,413</u>
<u>Child Nutrition Cluster:</u>		
10.553	School Breakfast Program	\$ 104,234
10.555	National School Lunch Program	<u>239,172</u>
	Total	<u>\$ 343,406</u>

COUNTY OF SHASTA

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

Note 7: **Program Clusters** (continued)

Homeland Security Cluster:

97.073	State Homeland Security – SHSP (FY 2005)	\$ 194,604
97.073	State Homeland Security – SHSP (FY 2006)	61,937
97.074	State Homeland Security – LETPP (FY 2005)	50,968
97.074	State Homeland Security – LETPP (FY 2006)	<u>85,289</u>
	Total	<u>\$ 392,798</u>

Note 8: **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>
10.561	\$ 1,971,221
16.575	188,169
20.205	3,126,394
93.778	4,409,079

Note 9: **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 either determined that no identifying number is assigned for the program or was simply unable to obtain an identifying number from the pass-through entity.

COUNTY OF SHASTA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2007

Section 1

Financial Statements

Summary of Auditor's Results

- | | |
|--|---------------|
| 1. Type of auditor's report issued: | Unqualified |
| 2. Internal controls over financial reporting: | |
| a. Material weaknesses identified? | Yes |
| 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: | Unqualified |
| 3. Any audit findings disclosed that are required to be reported in accordance with Circular OMB A-133, Section 510(a)? | Yes |
| 4. Identification of major programs: | |

CFDA Number

Name of Federal Program

- | | |
|--------|--|
| 10.551 | Food Stamps |
| 10.561 | State Administrative Matching Grants for Food Stamps Program |
| 14.871 | Section 8 Housing Choice Vouchers |
| 20.106 | Airport Improvement Program |
| 93.563 | Child Support Enforcement |
| 93.659 | Adoption Assistance |

COUNTY OF SHASTA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2007

Section 1 (continued)

Federal Awards

Summary of Auditor's Results

- | | |
|---|--------------|
| 5. Dollar Threshold used to distinguish between Type A and Type B programs? | \$ 2,529,246 |
| 6. Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 530? | Yes |

Section 2

Financial Statement Findings

Receivable Recognition Finding 07-FS-1

Section 3

Federal Award Findings and Questioned Costs

CFDA 14.871	Finding 07-SA-1
CFDA 20.106	Finding 07-SA-2
CFDA 93.563	Finding 07-SA-3

COUNTY OF SHASTA

Schedule of Findings and Questioned Costs
Financial Statement Findings
For the Year Ended June 30, 2007

Finding/Subject	Findings/Noncompliance
Finding 07-FS-1	<i>Reporting Requirement: Material Weakness</i>
Revenue Recognition	<p data-bbox="516 506 675 537"><u>Background</u></p> <p data-bbox="516 579 1433 1010">As part of the County’s year end closing process, the Auditor’s Office obtains information from various sources to compile a list of amounts due from other governments and other parties. Upon review and approval, amounts are posted to the general ledger and affect financial statement amounts for receivables and revenues. The County’s governmental funds use the modified accrual basis for recording revenue. Under the modified accrual basis, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are both collectible within the current period or soon thereafter to pay liabilities of the current period. For this purpose, the County considers revenues available if they are collected within sixty (60) days of the end of the current fiscal period.</p> <p data-bbox="516 1052 618 1083"><u>Criteria</u></p> <p data-bbox="516 1125 1433 1262">During its year-end closing process, the County should establish and enforce written policies and procedures to ensure that year-end accruals are properly identified, reviewed and recorded for all account balances, including revenues and receivables.</p> <p data-bbox="516 1304 646 1335"><u>Condition</u></p> <p data-bbox="516 1377 1433 1661">During the audit, we noted several significant receivables that were recorded at the end of the year despite the revenue recognition criteria not being met. The amount of the audit adjustment was approximately \$7 million. A proposed journal entry was prepared to decrease overall revenues in the fund statements and report deferred revenues for approximately \$7 million. The net effect resulted in a decrease to previously reported fund balance in the governmental funds by the same amount.</p> <p data-bbox="516 1703 597 1734"><u>Cause</u></p> <p data-bbox="516 1776 1433 1850">During the year-end closing process, the County failed to sufficiently review the significant revenue accruals being proposed by the</p>

COUNTY OF SHASTA

Schedule of Findings and Questioned Costs
Financial Statement Findings
For the Year Ended June 30, 2007

Finding/Subject	Findings/Noncompliance
Finding 07-FS-1 (continued)	<u>Cause</u> (continued) departments to determine whether these amounts were subsequently received within the County’s availability period.
Revenue Recognition	<u>Effect of Condition</u> By not reviewing all significant year-end revenue accruals to ensure that all eligibility requirements have been met, the County could materially misstate its receivables and revenues for its governmental fund statements. Government-wide financial statements are not affected since these statements use the full-accrual basis for reporting revenue.
	<u>Recommendation</u> We recommend that the Auditor-Controller’s Office modify its year-end closing process to include the review of all significant receivables proposed by departments to ensure all revenue recognition requirements are met before recording the accruals in the fund financial statements.
	<u>Management Response</u> In order to tighten controls on the receivable recognition process, the County has modified its revenue accrual process to include the following requirements which will provide the enhanced enforcement needed. This procedure will be provided to all departments during our annual Year-End meeting. Departments will be required to submit two revenue accrual logs after the 60 day accrual period has lapsed (the first week in September). The first accrual log will include all revenue accruals for any money received and posted to the GL prior to 8/31/XX. Departments will now be required to submit supporting documentation that shows receipt of such revenues and proof that such revenue is an accruable item. In order to comply with GASB requirements, any remaining outstanding prior year revenues that are not received in the first 60 days will

COUNTY OF SHASTA

Schedule of Findings and Questioned Costs
Financial Statement Findings
For the Year Ended June 30, 2007

<u>Finding/Subject</u>	<u>Findings/Noncompliance</u>
Finding 07-FS-1 (continued)	<u>Management Response</u> (continued)
Revenue Recognition	be submitted by the department on a GASB revenue accrual log. The GASB log will include enough supporting documentation to validate the estimated revenue amounts. All items on the GASB log will post to deferred revenue and net receivable within the fund. At year end a GASB adjustment will be made to adjust deferred revenue for use in the Government Wide Statement of Net Assets and the Statement of Activities.
	Contact Person: Nolda Short, Supervising Accountant nshort@co.shasta.ca.us
	Submitted by: Connie Regnell, Auditor-Controller cregnell@co.shasta.ca.us

COUNTY OF SHASTA

Schedule of Findings and Questioned Costs
Federal Award Findings and Questioned Costs
For the Year Ended June 30, 2007

Finding/Program	Findings/Noncompliance
Finding 07-SA-1	<i>Federal Grantor:</i> U.S. Department of Housing and Urban Development <i>Pass-Through Entity:</i> None <i>Compliance Requirement:</i> Allowable Activities/Cost Principles <i>Reporting Requirement:</i> Material Weakness; Material Non-Compliance in Relation to a Compliance Supplement Audit Objective
Section 8 Housing Choice Vouchers CFDA 14.871	
Award No. n/a Year: 2006/2007	

Criteria

OMB Circular A-87 requires that payroll charged to federal programs be supported by either (1) personnel activity reports, which reflect an after-the-fact distribution of all actual activity (including non-federal activity) of each employee, are prepared at least monthly and coincide with one or more pay periods, and are signed by the employee, or (2) an acceptable substitute system for allocating salaries and wages, which *quantifiably measures employee effort* on the program and is subject to the approval of the federal cognizant agency. Exceptions exist when 100% of an employee’s activity is dedicated to a single federal or non-federal activity.

Condition

During our review of documents supporting payroll charges to the program, we made inquiries and were informed that personnel activity reports had not been prepared for two employees who both had less than 100% of their time charged to the program.

Questioned Costs

Undetermined, as the employees in question clearly devote personnel time to the program.

Perspective

The Department has interpreted the documentation requirements applicable to employees who work on multiple programs or on federal and non-federal activities differently in the past.

COUNTY OF SHASTA

Schedule of Findings and Questioned Costs
Federal Award Findings and Questioned Costs
For the Year Ended June 30, 2007

Finding/Program	Findings/Noncompliance
Finding 07-SA-1 (continued)	<u>Effect of Condition</u>
Section 8 Housing Choice Vouchers CFDA 14.871	Without routine preparation of personnel activity reports, personnel time charged to federal programs is not supported in accordance with the standards of OMB Circular A-87, and could be inaccurate if actual employee effort differs from the estimates developed to allocate personnel costs.
Award No. n/a Year: 2006/2007	<u>Recommendation</u>
	We recommend that the Department implement procedures for the preparation of the personnel activity reports or an acceptable alternative as defined by OMB Circular A-87 Attachment B § 8(h)(6), for all employees with personnel time charged to the program which is less than 100% of their total personnel time. Electronic spreadsheets could facilitate the preparation of these reports as long as the final reports are signed by the employee. For greater flexibility, the Department may wish to consider developing and implementing an indirect cost rate proposal in accordance with OMB Circular A-87 Attachment E. Such a proposal could be implemented in lieu of personnel activity reports or other timekeeping methods for employees, but could be used where the employees work only on a single indirect cost activity.
	<u>Corrective Action Plan</u>
	For all employees with personnel time charged to the program, which is less than 100% of their total personnel time, the Department will implement a new procedure for the preparation of a “personnel activity report” or an acceptable alternative as defined by OMB Circular A-87.
	Janet Redmond at (530)-245-6432 is the contact person for this plan.

COUNTY OF SHASTA

Schedule of Findings and Questioned Costs
Federal Award Findings and Questioned Costs
For the Year Ended June 30, 2007

Finding/Program	Findings/Noncompliance
Finding 07-SA-2	<i>Federal Grantor: U.S. Department of Transportation</i>
Airport Improvement Program CFDA 20.106	<i>Pass-Through Entity: None</i> <i>Compliance Requirement: Cash Management</i> <i>Reporting Requirement: Material Weakness; Material Non-Compliance in Relation to a Compliance Supplement Audit Objective</i>

Award Nos.
AIP 3-06-0077-04
AIP 3-06-0077-06
AIP 3-06-0077-07
Year: 2006/2007

Criteria

When federal funds are provided to a grantee in advance, federal regulations require that grantees minimize the time that elapses between receipt of federal funds and the subsequent disbursement of those funds for program purposes (49 CFR 18.21(c)). If a grantee earns interest in excess of \$100 on advances held undisbursed for a period of time, this excess interest must be calculated and remitted to the grantor agency on at least a quarterly basis (49 CFR 18.21(i)).

Condition

During our review of payments to construction contractors, we observed that the County followed the customary policy of withholding a retained percentage from each contract payment. This retained percentage, which is not remitted to the contractor until satisfactory completion of the project, was drawn down from the federal grantor at the time each progress payment was made. In addition, we noted two progress payments were made more than 20 days after receipt of federal funds. In total, interest earned on these amounts approximated \$16,000.

Questioned Costs

We do not question any costs because no costs were incorrectly claimed. Instead, we recommend that the interest earned as described above be returned to the Federal Aviation Administration.

Perspective

We do not believe any further information would assist in providing proper perspective.

COUNTY OF SHASTA

Schedule of Findings and Questioned Costs
Federal Award Findings and Questioned Costs
For the Year Ended June 30, 2007

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
Finding 07-SA-2 (continued) Airport Improvement Program CFDA 20.106	<u>Effect of Condition</u> When federal funds are drawn down and held undisbursed for a period of time, the potential exists for interest to accumulate that may need to be returned to the federal government. It could also affect the County's ability to receive federal advances in the future. <u>Recommendation</u> We recommend that the Department develop a procedure to calculate and return interest earned on federal funds in excess of \$100 to the federal grantor, unless instructed otherwise. Further, if the Department wishes to draw federal funds in advance, we recommend that draws be requested only when the Department is prepared to disburse those funds immediately upon receipt. <u>Corrective Action Plan</u> <ol style="list-style-type: none">1. After discussion with the auditor regarding the interest earned, Thomas Hays contacted Shasta County's Federal Aviation Administration (FAA) representative, T.J. Chen, Program Manager in the Burlingame, San Francisco Airports District Office, to inform him of the audit draft finding. Mr. Chen indicated that since the grants were still open that the County could return the funding to the FAA. Mr. Chen cited an example of another of his airports that repays on a quarterly basis and indicated that would be acceptable. Thomas Hays informed him that he would agree the amount owed with the auditor and make a single payment to clear the audit finding and make the FAA whole. It is expected that the County would return the funds to the FAA (TJ Chen) within two weeks of the audit recommendation being formally received.2. Billing procedures will be modified to account for the following:<ol style="list-style-type: none">a. Payment will be made to the contractors before requesting FAA receipt of funds. In the past, before electronic transfer, the receipt of reimbursement from

COUNTY OF SHASTA

Schedule of Findings and Questioned Costs
Federal Award Findings and Questioned Costs
For the Year Ended June 30, 2007

Finding/Program	Findings/Noncompliance
Finding 07-SA-2 (continued)	<u>Corrective Action Plan</u> (continued)
Airport Improvement Program CFDA 20.106	<p>the FAA often exceeded 30 days and thus if the bills were paid before FAA funding was received a large negative cash balance would result. With the ECHO system the timing has greatly improved and large disbursements would only create a negative cash balance for less than a week, if that.</p> <p>b. Reimbursements requested by the County will take the retention into account starting immediately and submit on the net value of the bill. This will eliminate the possibility of earning interest on retainage.</p> <p>Thomas Hays at (530)-225-5112 is the contact person for this plan.</p>
Finding 07-SA-3	<i>Federal Grantor: U.S. Department of Health and Human Services</i>
Child Support Enforcement CFDA 93.563	<i>Pass-Through Entity: State Department of Child Support Services</i>
Award No. n/a Year: 2006/2007	<i>Compliance Requirement: Special Tests – Establishment of Paternity and Support Obligations</i>
	<i>Reporting Requirement: Material Weakness; Material Non-Compliance in Relation to a Compliance Supplement Audit Objective</i>

Criteria

The Child Support Department must attempt to establish paternity and a support obligation within required time limits. Federal law requires that a State Child Support plan be adopted providing for expedited processes to establish paternity and support obligations, and as well, for accomplishing service of process. 45 CFR § 302.70(a)(2) & 303.3(c). Under these requirements and the state plan: (1) service on the non-custodial parent (NCP) must be attempted within 90 days of the date located via a locate service or within 60 days of the date on which the custodial parent provides the NCP's address; and (2) at least 90% of the paternity cases must reach disposition within one year after service of process is accomplished.

COUNTY OF SHASTA

Schedule of Findings and Questioned Costs
Federal Award Findings and Questioned Costs
For the Year Ended June 30, 2007

Finding/Program	Findings/Noncompliance
Finding 07-SA-3 (continued) Child Support Enforcement CFDA 93.563	<p data-bbox="516 432 646 464"><u>Condition</u></p> <p data-bbox="516 506 1442 716">We tested 24 cases and located the following conditions: (1) In the first case, we observed from case history that an NCP was located on March 26th, 2007 but service had not been attempted at the address as of June 30th, 2007. (2) On August 14th, 2006, the Department located an NCP through locate sources, but a summons and complaint was not sent until May 2007.</p> <p data-bbox="516 758 743 789"><u>Questioned Costs</u></p> <p data-bbox="516 831 829 863">No costs are questioned.</p> <p data-bbox="516 905 667 936"><u>Perspective</u></p> <p data-bbox="516 978 1154 1010">The exception rate in the sample was $2 / 24 = 8\%$.</p> <p data-bbox="516 1052 764 1083"><u>Effect of Condition</u></p> <p data-bbox="516 1125 1442 1251">Collection of child support is a very time sensitive issue. Omission to serve NCPs in order to establish paternity/support orders within required time frames causes delays and, occasionally, loss of ability to collect some portion of support obligations.</p> <p data-bbox="516 1293 743 1325"><u>Recommendation</u></p> <p data-bbox="516 1367 1442 1640">The Child Support Department currently has procedures in effect to ensure that time frames are met for establishment of paternity and support obligations. We recommend that the Child Support Department review the above exceptions and determine what procedures can be implemented to prevent recurrence of similar events. Such procedures might include a directive to workers to send cases out for service rather than waiting if information that is helpful but not essential to the process is proving elusive.</p> <p data-bbox="516 1682 813 1713"><u>Corrective Action Plan</u></p> <ul data-bbox="565 1755 1442 1816" style="list-style-type: none"><li data-bbox="565 1755 1442 1816">• In the first case, the child support specialist assigned to manage the case failed to act on information in a timely manner. This is

COUNTY OF SHASTA

Schedule of Findings and Questioned Costs
Federal Award Findings and Questioned Costs
For the Year Ended June 30, 2007

Finding/Program	Findings/Noncompliance
Finding 07-SA-3 (continued) Child Support Enforcement CFDA 93.563	<u>Corrective Action Plan</u> (continued) a known and identified training issue with this particular employee and the supervisor is closely monitoring the employee's performance. <ul style="list-style-type: none">• The second case was left in limbo when the child support specialist managing the case was reassigned to a different team. The case had been worked appropriately until the change of assignment. Supervisors in the department have been instructed to remind and re-educate all child support specialist staff on the importance of following mandated timeframes. Supervisors have also instructed child support specialist staff that they cannot allow a case to come to a standstill when they change assignments. Outstanding tasks must be completed before moving on to new duties.
	<u>Contact Person:</u> Lisa Carter, Program Manager lcarter@co.shasta.ca.us 530-229-8758
	<u>Submitted by:</u> Terri Love, Director tlove@co.shasta.ca.us

COUNTY OF SHASTA

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2007

Audit Reference Number	Status of Prior Year Audit Findings
Finding 06-1	<u>Recommendation</u>
Food Stamps CFDA 10.551 and State Administrative Matching Grants for Food Stamps Program CFDA 10.561 Award No. n/a Original Finding Year: 2005-2006	<p>We recommend that the county assign and train staff to perform the required daily reconciliation of the food stamp benefits entering into the EBT system with the county's ISAWS eligibility system. Also, we recommend that the county monitor to ensure that the EBT reconciliations are being performed every day as required.</p>
	<u>Status</u>
	Corrected. New procedures have been put into place which ensures Food Stamp reconciliations are done daily.
Finding 06-2	<u>Recommendation</u>
Section 8 Housing Choice Vouchers CFDA 14.871 Award No. n/a Original Finding Year: 2005/2006	<p>We recommend that the department implement a system for collecting the required time certifications from employees twice per year. The time certifications should declare that, during the previous six months, the certifying employees have worked only on federal Section 8 activities. More frequent time certifications are also acceptable as long as they cover the period of time elapsed since the last certification. The department could collect these certifications periodically along with employees' payroll timecards, or even add certification language to the timecards themselves to ensure compliance.</p> <p>For more information, we recommend that the county review OMB's requirements located at <http://www.whitehouse.gov/omb/circulars/a087/a87_2004.html>.</p>
	<u>Status</u>
	Corrected. The Housing Authority has put into practice a procedure to collect time certifications from employees twice per year. This is in addition to timecards and states that the employees worked solely on Section 8 activities. These certifications are on file with the Housing Authority.

**SUPPLEMENTARY STATEMENTS
OF GRANT REVENUE AND EXPENDITURES**

COUNTY OF SHASTA

Supplementary Statements of Grant Expenditures
For the Year Ended June 30, 2007

Office of Emergency Services Grants

The following represents expenditures for Office of Emergency Services (OES) programs for the year ended June 30, 2007. 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, 2006	For the Year Ended June 30, 2007	Cumulative As of June 30, 2007	Federal Share	State Share	County Share
<u>VW06250450 - Victim Witness Assistance</u>						
Personal services	\$ 188,733	\$ 192,512	\$ 381,245	\$ 87,511	\$ 105,001	\$ --
Operating expenses	6,426	--	6,426	--	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 195,159</u>	<u>\$ 192,512</u>	<u>\$ 387,671</u>	<u>\$ 87,511</u>	<u>\$ 105,001</u>	<u>\$ --</u>
<u>AT05020450 - Child Abuse Treatment</u>						
Personal services	\$ 6,528	\$ 522	\$ 7,050	\$ 522	\$ --	\$ --
Operating expenses	162,255	16,734	178,989	12,393	--	4,341
Equipment	1,300	137	1,437	137	--	--
Totals	<u>\$ 170,083</u>	<u>\$ 17,393</u>	<u>\$ 187,476</u>	<u>\$ 13,052</u>	<u>\$ --</u>	<u>\$ 4,341</u>
<u>AT06030450 - Child Abuse Treatment</u>						
Personal services	\$ --	\$ 677	\$ 677	\$ 677	\$ --	\$ --
Operating expenses	--	103,819	103,819	86,929	--	16,890
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 104,496</u>	<u>\$ 104,496</u>	<u>\$ 87,606</u>	<u>\$ --</u>	<u>\$ 16,890</u>
<u>VB06040450 - Vertical Prosecution Block Program</u>						
Personal services	\$ 153,555	\$ 218,781	\$ 372,336	\$ --	\$ 218,781	\$ --
Operating expenses	20,596	82,268	102,864	--	82,268	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 174,151</u>	<u>\$ 301,049</u>	<u>\$ 475,200</u>	<u>\$ --</u>	<u>\$ 301,049</u>	<u>\$ --</u>
<u>DC06190450 - Shasta Interagency Narcotics Task Force</u>						
Personal services	\$ 160,692	\$ 97,998	\$ 258,690	\$ 97,998	\$ --	\$ --
Operating expenses	65,652	40,357	106,009	40,357	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 226,344</u>	<u>\$ 138,355</u>	<u>\$ 364,699</u>	<u>\$ 138,355</u>	<u>\$ --</u>	<u>\$ --</u>

COUNTY OF SHASTA

Supplementary Statements of Grant Expenditures
For the Year Ended June 30, 2007

Office of Emergency Services Grants (continued)

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through	For the Year Ended	Cumulative As of	Federal Share	State Share	County Share
	June 30, 2006	June 30, 2007	June 30, 2007			
<u>MS06170450 - Marijuana Suppression Program</u>						
Personal services	\$ 187,369	\$ 114,852	\$ 302,221	\$ 114,852	\$ --	\$ --
Operating expenses	5,964	4,053	10,017	4,053	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 193,333</u>	<u>\$ 118,905</u>	<u>\$ 312,238</u>	<u>\$ 118,905</u>	<u>\$ --</u>	<u>\$ --</u>

California Department of Corrections and Rehabilitation Grants

The following represents expenditures for the California Department of Corrections and Rehabilitation programs for the year ended June 30, 2007. 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	For the Year Ended	Cumulative As of	Federal Share	State Share	County Share
	June 30, 2006	June 30, 2007	June 30, 2007			
<u>CSA 116-06 - Integrated Justice System Document Availability</u>						
Personal services	\$ 14,557	\$ 15,114	\$ 29,671	\$ 13,603	\$ 1,511	\$ --
Operating expenses	1,500	--	1,500	--	--	--
Equipment	1,873	--	1,873	--	--	--
Totals	<u>\$ 17,930</u>	<u>\$ 15,114</u>	<u>\$ 33,044</u>	<u>\$ 13,603</u>	<u>\$ 1,511</u>	<u>\$ --</u>

COUNTY OF SHASTA

Supplementary Statements of Grant Expenditures
For the Year Ended June 30, 2007

California Department of Justice Grant

The following represents expenditures for a California Department of Justice grant for the year ended June 30, 2007.

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2006	For the Year Ended June 30, 2007	Cumulative As of June 30, 2007	Federal Share	State Share	County Share
	<u>06SA13C032 - Spousal Abuser Prosecution</u>					
Salaries and benefits	\$ --	\$ 91,527	\$ 91,527	\$ --	\$ 66,523	\$ 25,004
Operational	--	9,409	9,409	--		9,409
Totals	<u>\$ --</u>	<u>\$ 100,936</u>	<u>\$ 100,936</u>	<u>\$ --</u>	<u>\$ 66,523</u>	<u>\$ 34,413</u>

California Department of Insurance Grants

The following represents expenditures for California Department of Insurance grants for the year ended June 30, 2007.

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2006	For the Year Ended June 30, 2007	Cumulative As of June 30, 2007	Federal Share	State Share	County Share
	<u>Automobile Insurance Fraud</u>					
Salaries and benefits	\$ --	\$ 65,706	\$ 65,706	\$ --	65,706	\$ --
Services and supplies	--	10,876	10,876	--	10,876	--
Central service charges	--	2,018	2,018	--	2,018	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 78,600</u>	<u>\$ 78,600</u>	<u>\$ --</u>	<u>\$ 78,600</u>	<u>\$ --</u>
<u>Worker's Compensation Insurance Fraud</u>						
Salaries and benefits	\$ --	\$ 164,612	\$ 164,612	\$ --	164,612	\$ --
Services and supplies	--	32,117	32,117	--	32,117	--
Central service charges	--	7,284	7,284	--	7,284	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 204,013</u>	<u>\$ 204,013</u>	<u>\$ --</u>	<u>\$ 204,013</u>	<u>\$ --</u>

COUNTY OF SHASTA

Supplementary Statement of Grant Revenue and Expenditures
 CSD Contract No. 06F-4746
 For The Period January 1, 2006 through December 31, 2007

	January 1, 2006 through June 30, 2006	July 1, 2006 through June 30, 2007	Totals
	<u> </u>	<u> </u>	<u> </u>
<u>Revenue</u>			
Grant revenue	\$ 88,936	\$ 206,798	\$ 295,734
<u>Expenditures</u>			
Administrative Costs:			
Salaries and wages	\$ 22,052	\$ 36,491	\$ 58,543
Fringe benefits	8,662	13,784	22,446
Operating Expenses & Equipment	25,638	80,173	105,811
Out-of-State Travel	584	--	584
Subtotal Administrative Costs	<u>56,936</u>	<u>130,448</u>	<u>187,384</u>
Program Costs:			
Subcontractor Services	<u>32,000</u>	<u>76,350</u>	<u>108,350</u>
Total Expenditures	<u>\$ 88,936</u>	<u>\$ 206,798</u>	<u>\$ 295,734</u>

Note: The 06F-4746 contract period was extended from 12/31/06 to 12/31/07.