

COUNTY OF ORANGE, CALIFORNIA

Single Audit Report

For the Year Ended June 30, 2009

COUNTY OF ORANGE, CALIFORNIA

SINGLE AUDIT REPORT

For the Year Ended June 30, 2009

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

Board of Supervisors
County of Orange, California

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Orange, California (County), as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 16, 2009. Our report included an explanatory paragraph regarding the County's adoption of Governmental Accounting Standards Board (GASB) Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations* as of July 1, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A 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 County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control.

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 County's internal control.

Our consideration of 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 or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

We noted certain other matters that we reported to management of the County in a separate letter dated December 16, 2009.

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

A handwritten signature in black ink, reading "Vavrinch, Train, Day & Co., LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California
December 16, 2009



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM, ON INTERNAL CONTROL
OVER COMPLIANCE AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS IN
ACCORDANCE WITH OMB CIRCULAR A-133, SUPPLEMENTARY SCHEDULE OF CATEGORICAL
EXPENDITURE DISTRIBUTION FOR THE CORRECTION STANDARDS AUTHORITY AND
OFFICE OF EMERGENCY SERVICES GRANT PROGRAMS, AND SCHEDULE OF GRANT
EXPENDITURES FOR GRANTS PROVIDED BY THE CALIFORNIA HEALTH AND HUMAN
SERVICES AGENCY, DEPARTMENT OF AGING**

Board of Supervisors
County of Orange, California

Compliance

We have audited the compliance of the County of Orange, 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 year ended June 30, 2009. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. 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 2009-01 through 2009-11.

Internal Control Over Compliance

The management of the County 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'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 for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purposes described in the preceding paragraph and would not necessarily identify all deficiencies in 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.

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 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2009-02, 2009-07, 2009-08, 2009-09, 2009-11, and 2009-12 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 noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We do not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

Schedule of Expenditures of Federal Awards, Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and Office of Emergency Services Grant Programs and Schedule of Grant Expenditures for Grants Provided by the California Health and Human Services Agency, Department of Aging

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Orange, California (County), as of and for the year ended June 30, 2009, and have issued our report thereon dated December 16, 2009. Our report included an explanatory paragraph regarding the County's adoption of Governmental Accounting Standards Board (GASB) Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, as of July 1, 2008. 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, supplementary schedule of categorical expenditure distribution for the Correction Standards Authority and Office of Emergency Services grant programs and schedule of grant expenditures for grants provided by the California Health and Human Services Agency, Department of Aging are presented for purposes of additional analysis as required by OMB Circular A-133, the Correction Standards Authority, the Office of Emergency Services and California Health and Human Services Agency, Department of Aging, respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We noted certain other matters that we reported to management of the County in a separate letter dated March 24, 2010.

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

This report is intended solely for the information and use of the Board of Supervisors, the County's Audit Oversight Committee, 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.

Vavrinich, Train, Dwyer & Co., LLP

Rancho Cucamonga, California

March 24, 2010, except for the paragraph on the schedule of expenditures of federal awards, supplementary schedule of categorical expenditure distribution for the Correction Standards Authority and Office of Emergency Services grant programs and schedule of grant expenditures for grants provided by the California Health and Human Services Agency, Department of Aging, as to which the date is December 16, 2009.

COUNTY OF ORANGE, CALIFORNIA

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Federal Grantor County Program Name Direct or Indirect (1)	Catalog of Federal Domestic Assistance (CFDA) Number	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures	Responsible County Department/Agency
Department (Dept.) of Agriculture					
Value of Benefits Issued (indirect)	10.551	1946001347 A7	CA Dept. of Social Services	\$ 149,322,424	Social Services Agency
ARRA - Value of Benefits Issued (indirect)	10.551	1946001347 A7	CA Dept. of Social Services	6,033,818	Social Services Agency
Non-Assisted Benefits (indirect)	10.561	1946001347 A7	CA Dept. of Social Services	16,391,986	Social Services Agency
Non-Assisted Benefits - CalWIN (indirect)	10.561	1946001347 A7	CA Dept. of Social Services	1,111,516	Social Services Agency
Network For A Healthy California (indirect)	10.561	07-65333, 08-85179, 04-35889, 08-85180	CA Dept. of Public Health	982,967	Health Care Agency
Subtotal 10.551 and 10.561 (SNAP Cluster)				173,842,711	
School Breakfast, Lunch, and Milk Program (indirect)	10.553	30-34306-9003500-1	CA Dept. of Education	1,267,566	Probation
Women, Infants, and Children (WIC) (indirect)	10.557	08-85430	CA Dept. of Public Health	5,217,585	Health Care Agency
Basic Meal Reimbursement - Orangewood (indirect)	10.558	1946001347 A7	CA Dept. of Social Services	102,163	Social Services Agency
Value of Senior Farmer's Market Coupons (indirect)	10.576	AP 0809-22	CA Dept. of Aging	3,500	OC Community Resources/OC Community Services
Subtotal - Dept. of Agriculture				180,433,525	
Dept. of Education					
Workforce Investment Act, Title II: Adult Education & Family Literacy Act (indirect)	84.002	2330	CA Dept. of Education	15,000	OC Community Resources/OC Public Libraries
Individuals with Disabilities Education Act (IDEA) (indirect)	84.027	06-14468-1030-01	Orange County Dept. of Education	11,076,007	Health Care Agency
Subtotal - Dept. of Education				11,091,007	

See accompanying Notes to the Schedule of Expenditures of Federal Awards and Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and Office of Emergency Services Grant Programs, and the Schedule of Grant Expenditures for Grant Provided by the California Health and Human Services Agency, Department of Aging.

COUNTY OF ORANGE, CALIFORNIA

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Federal Grantor County Program Name Direct or Indirect (1)	Catalog of Federal Domestic Assistance (CFDA) Number	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures	Responsible County Department/Agency
Dept. of Health and Human Services					
Title VIIB - Elder Abuse Prevention (indirect)	93.041	AP 0809-22	CA Dept. of Aging	\$ 39,933	OC Community Resources/OC Community Services
Title VIIA - Ombudsman (indirect)	93.042	AP 0809-22	CA Dept. of Aging	126,761	OC Community Resources/OC Community Services
Title IIID - Preventive Health (indirect)	93.043	AP 0809-22	CA Dept. of Aging	151,754	OC Community Resources/OC Community Services
Title IIIB - Senior Supportive Services (indirect)	93.044	AP 0809-22	CA Dept. of Aging	2,314,684	OC Community Resources/OC Community Services
Title IIIC1 - Congregate Meals for Seniors (indirect)	93.045	AP 0809-22	CA Dept. of Aging	1,911,979	OC Community Resources/OC Community Services
Title IIIC2 - Home Delivered Meals for Seniors (indirect)	93.045	AP 0809-22	CA Dept. of Aging	2,182,787	OC Community Resources/OC Community Services
NSIP Title IIIC1 - Nutrition Services Incentive Program (indirect)	93.053	AP 0809-22	CA Dept. of Aging	291,557	OC Community Resources/OC Community Services
NSIP Title IIIC2 - Nutrition Services Incentive Program (indirect)	93.053	AP 0809-22	CA Dept. of Aging	734,467	OC Community Resources/OC Community Services
Subtotal 93.044, 93.045 & 93.053 (Aging Cluster)				7,435,474	
National Family Caregiver Support Program (indirect)	93.052	AP 0809-22	CA Dept. of Aging	1,229,177	OC Community Resources/OC Community Services
Pandemic Influenza Emergency Preparedness (indirect)	93.069		CA Dept. of Public Health	544,239	Health Care Agency
Public Health Preparedness and Response to Bioterrorism Grant (indirect)	93.069		CA Dept. of Public Health	378,874	Health Care Agency
Subtotal 93.069				923,113	

See accompanying Notes to the Schedule of Expenditures of Federal Awards and Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and Office of Emergency Services Grant Programs, and the Schedule of Grant Expenditures for Grant Provided by the California Health and Human Services Agency, Department of Aging.

COUNTY OF ORANGE, CALIFORNIA

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Federal Grantor County Program Name Direct or Indirect (1)	Catalog of Federal Domestic Assistance (CFDA) Number	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures	Responsible County Department/Agency
Dept. of Health and Human Services (Continued)					
TB Local Assistance (Base Award) (indirect)	93.116		CA Dept. of Public Health	\$ 578,243	Health Care Agency
Projects for Assistance in Transition from Homelessness (PATH) Grant (indirect)	93.150	2X06SM06000 05-08	CA Dept. of Mental Health	430,778	Health Care Agency
Childhood Lead Poisoning Prevention Program (CLPPP) (indirect)	93.197	08-85076	CA Dept. of Public Health	198,031	Health Care Agency
Pediatric Immunization (indirect)	93.268	08-85310	CA Dept. of Public Health	661,542	Health Care Agency
Public Health Preparedness and Response to Bioterrorism Grant (indirect)	93.283		CA Dept. of Public Health	2,789,917	Health Care Agency
Breast Cancer Early Detection Program (BCEDP) (indirect)	93.394	06-55699	CA Dept. of Public Health	5,000	Health Care Agency
Family Preservation (indirect)	93.556	1946001347 A7	CA Dept. of Social Services	1,956,817	Social Services Agency
Cal Works (Admin) (indirect)	93.558	1946001347 A7	CA Dept. of Social Services	109,155,466	Social Services Agency
Cal Works - CalWIN (indirect)	93.558	1946001347 A7	CA Dept. of Social Services	1,060,684	Social Services Agency
Cal Works (indirect)	93.558	1946001347 A7	CA Dept. of Social Services	59,243,696	Social Services Agency
Subtotal 93.558				169,459,846	
Child Support Enforcement Program (indirect)	93.563	06-059	CA Dept. of Child Support Services	30,817,322	Child Support Services
ARRA: Child Support Enforcement Program (indirect)	93.563	06-059	CA Dept. of Child Support Services	4,925,016	Child Support Services
Support Enforcement Incentive Fund (indirect)	93.563	06-059	CA Dept. of Child Support Services	3,201,230	Child Support Services
Subtotal 93.563				38,943,568	
Refugee Cash Assistance (indirect)	93.566	1946001347 A7	CA Dept. of Social Services	109,352	Social Services Agency
Refugee Employment Social Services (indirect)	93.566	RESS0605, RESS0705, RESS0805	CA Dept. of Social Services	432,835	Social Services Agency
Welfare Aid to Refugees - CalWIN (indirect)	93.566	1946001347 A7	CA Dept. of Social Services	756	Social Services Agency
Welfare Aid to Refugees (indirect)	93.566	1946001347 A7	CA Dept. of Social Services	460,576	Social Services Agency
Subtotal 93.566				1,003,519	

See accompanying Notes to the Schedule of Expenditures of Federal Awards and Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and Office of Emergency Services Grant Programs, and the Schedule of Grant Expenditures for Grant Provided by the California Health and Human Services Agency, Department of Aging.

COUNTY OF ORANGE, CALIFORNIA

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Federal Grantor County Program Name Direct or Indirect (1)	Catalog of Federal Domestic Assistance (CFDA) Number	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures	Responsible County Department/Agency
Dept. of Health and Human Services (Continued)					
Refugee Health Assessment Program (indirect)	93.567	07-30-90840-1, 08-30-90840-1	CA Dept. of Public Health	\$ 237,202	Health Care Agency
Targeted Assistance (indirect)	93.584	TARL0703, TARL0803	CA Dept. of Social Services	27,041	Social Services Agency
Child Welfare System Title IVB (indirect)	93.645	1946001347 A7	CA Dept. of Social Services	2,170,062	Social Services Agency
Welfare Aid to Children in Boarding Homes (indirect)	93.658	1946001347 A7	CA Dept. of Social Services	11,970,298	Social Services Agency
ARRA: Welfare Aid to Children in Boarding Homes (indirect)	93.658	1946001347 A7	CA Dept. of Social Services	1,065,531	Social Services Agency
Children Welfare System Title IV E (indirect)	93.658	1946001347 A7	CA Dept. of Social Services	31,652,601	Social Services Agency
Children Welfare System Title IV E (indirect)	93.658	1946001347 A7	CA Dept. of Social Services	3,175,336	Probation
Subtotal 93.658				47,863,766	
Adoptions (indirect)	93.659	1946001347 A7	CA Dept. of Social Services	3,219,851	Social Services Agency
Adoption Assistance (indirect)	93.659	1946001347 A7	CA Dept. of Social Services	18,354,905	Social Services Agency
ARRA: Adoption Assistance (indirect)	93.659	1946001347 A7	CA Dept. of Social Services	1,782,700	Social Services Agency
Subtotal 93.659				23,357,456	
Social Services Block Grant (indirect)	93.667	1946001347 A7	CA Dept. of Social Services	2,544,520	Social Services Agency
Independent Living Skills (indirect)	93.674	1946001347 A7	CA Dept. of Social Services	623,771	Social Services Agency
California Children Services (CCS) Healthy Families (indirect)	93.767		CA Dept. of Health Care Services	1,674,764	Health Care Agency
California Children Services (CCS) Medi-Cal (indirect)	93.778		CA Dept. of Health Care Services	4,397,868	Health Care Agency
Child Health and Disability Prevention (CHDP) Program Title XIX (indirect)	93.778		CA Dept. of Health Care Services	924,678	Health Care Agency
Children in Foster Care Title XIX- HCPCFC (indirect)	93.778		CA Dept. of Health Care Services	469,465	Health Care Agency
Children in Foster Care Title XIX- EPSDT (indirect)	93.778		CA Dept. of Health Care Services	100,478	Health Care Agency
Medi-Cal Administrative Activities (MAA) (indirect)	93.778	04-35071 A01	CA Dept. of Health Care Services	2,043,333	Health Care Agency

See accompanying Notes to the Schedule of Expenditures of Federal Awards and Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and Office of Emergency Services Grant Programs, and the Schedule of Grant Expenditures for Grant Provided by the California Health and Human Services Agency, Department of Aging.

COUNTY OF ORANGE, CALIFORNIA

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Federal Grantor County Program Name Direct or Indirect (1)	Catalog of Federal Domestic Assistance (CFDA) Number	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures	Responsible County Department/Agency
Dept. of Health and Human Services (Continued)					
Multipurpose Senior Services Program (indirect)	93.778	MS-0809-18	CA Dept. of Aging	\$ 644,452	Social Services Agency
Medi-Cal In Home Supportive Services (indirect)	93.778	1946001347 A7	CA Dept. of Social Services	4,749,560	Social Services Agency
ARRA: Medi-Cal In Home Supportive Services (indirect)	93.778	1946001347 A7	CA Dept. of Social Services	5,037,000	Social Services Agency
Medi-Cal In Home Supportive Services (Admin) (indirect)	93.778	1946001347 A7	CA Dept. of Social Services	5,314,614	Social Services Agency
Medi-Cal CalWIN (indirect)	93.778	1946001347 A7	CA Dept. of Social Services	2,120,990	Social Services Agency
Medi-Cal (indirect)	93.778	MCAC 2008-05	CA Dept. of Health Care Services	54,189,260	Social Services Agency
County Services Block Grant and Adult Protective Services - Health (indirect)	93.778	1946001347 A7	CA Dept. of Social Services	1,919,805	Social Services Agency
Subtotal 93.778 (Medicaid Cluster)				81,911,503	
Health Care Financing Research, Demonstrations and Evaluations (indirect)	93.779	HI 0809-22	CA Dept. of Aging	174,931	OC Community Resources/OC Community Services
Health Resources and Services Administration (HRSA) Grant (indirect)	93.889	01-30-03-ORG	CA Dept. of Public Health	1,207,899	Health Care Agency
Minority AIDS Initiative (MAI) (direct)	93.914			305,508	Health Care Agency
Ryan White Part A (direct)	93.914			5,063,474	Health Care Agency
Subtotal 93.914				5,368,982	
Ryan White Part B (indirect)	93.917	06-55764	CA Dept. of Public Health	637,816	Health Care Agency
AIDS Early Intervention Program (indirect)	93.917	07-65069	CA Dept. of Public Health-Office of AIDS	518,986	Health Care Agency
Subtotal 93.917				1,156,802	

See accompanying Notes to the Schedule of Expenditures of Federal Awards and Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and Office of Emergency Services Grant Programs, and the Schedule of Grant Expenditures for Grant Provided by the California Health and Human Services Agency, Department of Aging.

COUNTY OF ORANGE, CALIFORNIA

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Federal Grantor County Program Name Direct or Indirect (1)	Catalog of Federal Domestic Assistance (CFDA) Number	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures	Responsible County Department/Agency
Dept. of Health and Human Services (Continued)					
Ryan White Part C (HIV Primary Care) (direct)	93.918			\$ 650,563	Health Care Agency
Block Grants for Community Mental Health Services (SAMHSA) (indirect)	93.958	2B09SM0100005-08(s2, s2), 2B09SM0100005-09	CA Dept. of Mental Health	2,365,849	Health Care Agency
Alcohol and Drug Program (indirect)	93.959	07-NNA30	CA Dept. of Alcohol & Drug	19,062,029	Health Care Agency
Adolescent Family Life Program (AFLP) Title V and XIX (indirect)	93.994	2008-30	CA Dept. of Public Health	728,650	Health Care Agency
Maternal and Child Health (MCH) Allocation Title V and XIX (indirect)	93.994	2008-30	CA Dept. of Public Health	356,453	Health Care Agency
Subtotal 93.994				<u>1,085,103</u>	
Subtotal - Dept. of Health and Human Services				<u>417,415,716</u>	
Dept. of Homeland Security					
Boating Safety and Enforcement Grant (indirect)	97.012	15-01-06	CA Dept. of Boating and Waterways	42,500	Sheriff-Coroner
Disaster Assistance (direct)	97.036			49,943	OC Waste & Recycling
Santiago Canyon Fire (FEMA) (indirect)	97.036	059-00000	CA Emergency Management Agency	62,799	OC Public Works
Subtotal 97.036				<u>112,742</u>	
Hazard Migration Grant Program (indirect)	97.039	059-00000	CA Emergency Management Agency	305,000	OC Public Works
2007 Emergency Management Preparedness Grant (EMPG) (indirect)	97.042	2007-0008	CA Emergency Management Agency	187,955	Sheriff-Coroner
2008 Emergency Management Preparedness Grant (EMPG) (indirect)	97.042	2008-2009	CA Emergency Management Agency	213,440	Sheriff-Coroner
Subtotal 97.042				<u>401,395</u>	

See accompanying Notes to the Schedule of Expenditures of Federal Awards and Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and Office of Emergency Services Grant Programs, and the Schedule of Grant Expenditures for Grant Provided by the California Health and Human Services Agency, Department of Aging.

COUNTY OF ORANGE, CALIFORNIA

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Federal Grantor County Program Name Direct or Indirect (1)	Catalog of Federal Domestic Assistance (CFDA) Number	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures	Responsible County Department/Agency
Dept. of Homeland Security (Continued)					
2007 Homeland Security Grant - UASI (indirect)	97.067	059-95010	City of Los Angeles	\$ 30,117	Sheriff-Coroner
State Homeland Security Grant (indirect)	97.067	2004-0045, 2006-0071, 2007-0008	CA Emergency Management Agency	647,629	Health Care Agency
2006 Metropolitan Medical Response System (MMRS) (indirect)	97.067	2006-0071	CA Emergency Management Agency	220,693	Sheriff-Coroner
2007 Metropolitan Medical Response System (MMRS) (indirect)	97.067	2007-0008	CA Emergency Management Agency	15,088	Sheriff-Coroner
2006 State Homeland Security Program (SHSP) (indirect)	97.067	2006-0071	CA Emergency Management Agency	170,234	Sheriff-Coroner
2007 State Homeland Security Program (SHSP) (indirect)	97.067	2007-0008	CA Emergency Management Agency	674,467	Sheriff-Coroner
2007 State Homeland Security Program (SHSP) (indirect)	97.067	2007-0008	CA Emergency Management Agency	17,012	District Attorney
2006 Law Enforcement Terrorism Prevention Plan (LETPP) (indirect)	97.067	2006-0071	CA Emergency Management Agency	300,321	Sheriff-Coroner
2007 Law Enforcement Terrorism Prevention Plan (LETPP) (indirect)	97.067	2007-0008	CA Emergency Management Agency	1,223,889	Sheriff-Coroner
2008 Homeland Security Grant - SHSP (indirect)	97.067	2008-0006	CA Emergency Management Agency	33,155	Sheriff-Coroner
2008 Homeland Security Grant - LETPP (indirect)	97.067	2008-0006	CA Emergency Management Agency	1,964	Sheriff-Coroner
Subtotal 97.067 (Homeland Security Cluster)				3,334,569	
Transportation Security Administration - National Explosives Detection Canine Team Program (direct)	97.072			150,500	John Wayne Airport
FBI National Joint Terrorism Task Force (direct)	97.074			4,115	District Attorney
2007 Transit Security Grant-VIPR Grant (direct)	97.075			101,134	Sheriff-Coroner
Disaster Housing Assistance Program Grant (direct)	97.109			46,994	OC Community Resources/OC Community Services
Disaster Housing Assistance Program - IKE (direct)	97.109			17,036	OC Community Resources/OC Community Services
Subtotal 97.109				64,030	
FEMA Fire Claim event # 1810 (direct)	97.UNKNOWN			200,077	Sheriff-Coroner
Subtotal - Dept. of Homeland Security				4,716,062	

See accompanying Notes to the Schedule of Expenditures of Federal Awards and Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and Office of Emergency Services Grant Programs, and the Schedule of Grant Expenditures for Grant Provided by the California Health and Human Services Agency, Department of Aging.

COUNTY OF ORANGE, CALIFORNIA

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Federal Grantor County Program Name Direct or Indirect (1)	Catalog of Federal Domestic Assistance (CFDA) Number	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures	Responsible County Department/Agency
Dept. of Housing and Urban Development					
Community Development Block Grant (direct)	14.218			\$ 7,758,275	OC Community Resources/OC Community Services
Emergency Shelter Grant Program (direct)	14.231			175,040	OC Community Resources/OC Community Services
Shelter Plus Care (direct)	14.238			4,618,448	OC Community Resources/OC Community Services
HOME Investment Partnership Act (direct)	14.239			12,265,391	OC Community Resources/OC Community Services
Housing Opportunities for Persons with AIDS (HOPWA) (indirect)	14.241		City of Santa Ana	894,450	Health Care Agency
Section 8 Housing Choice Vouchers (direct)	14.871			108,276,407	OC Community Resources/OC Community Services
Disaster Voucher Program (direct)	14.Unknown			29,006	OC Community Resources/OC Community Services
Subtotal - Dept. of Housing and Urban Development				134,017,017	
Dept. of the Interior					
Federal Forest Reserve Fund (indirect)	15.916	12-5955	CA Dept. of Transportation	20,933	OC Public Works
Subtotal - Dept. of the Interior				20,933	
Dept. of Justice					
Juvenile Sex Offender Management (direct)	16.203			25,171	Probation
Juvenile Accountability Block Grant (JABG) (indirect)	16.523	CSA 144-08	Corrections Standards Authority	100,229	District Attorney
Juvenile Accountability Block Grant (JABG) (indirect)	16.523	CSA 144-08	Corrections Standards Authority	5,021	Probation
Juvenile Accountability Block Grant (JABG) (indirect)	16.523	CSA 144-08	Corrections Standards Authority	25,803	Health Care Agency
Subtotal 16.523				131,053	

See accompanying Notes to the Schedule of Expenditures of Federal Awards and Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and Office of Emergency Services Grant Programs, and the Schedule of Grant Expenditures for Grant Provided by the California Health and Human Services Agency, Department of Aging.

COUNTY OF ORANGE, CALIFORNIA

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Federal Grantor County Program Name Direct or Indirect (1)	Catalog of Federal Domestic Assistance (CFDA) Number	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures	Responsible County Department/Agency
Dept. of Justice (Continued)					
2005 Solving Cold Cases with DNA (direct)	16.560			\$ 87,705	Sheriff-Coroner
2008 Solving Cold Cases with DNA (direct)	16.560			13,211	Sheriff-Coroner
Subtotal 16.560				100,916	
Child Abuse Treatment Services (indirect)	16.575	AT07040300, AT08050300	CA Emergency Management Agency	210,770	Social Services Agency
Victim Witness Assistance Program (indirect)	16.575	VW08270300	CA Emergency Management Agency	450,107	County Executive Office
Gang Victim Services Special Emphasis (indirect)	16.575	SE08180300	CA Emergency Management Agency	93,500	County Executive Office
Subtotal 16.575				754,377	
Advanced Technologies for Law Enforcement Initiative (direct)	16.580			54,789	District Attorney
Residential Substance Abuse Treatment (RSAT) (indirect)	16.593	RT07070300	CA Emergency Management Agency	59,652	Probation
Residential Substance Abuse Treatment (RSAT) (indirect)	16.593	RT07070300	CA Emergency Management Agency	122,675	Health Care Agency
Subtotal 16.593				182,327	
Care of Federal Prisoners - U.S. Marshal (direct)	16.602			7,048	Sheriff-Coroner
State Criminal Alien Assistance Program (SCAAP) (direct)	16.606			31,752,503	Sheriff-Coroner
2007 Bulletproof Vest Partnership (direct)	16.607			76,718	Sheriff-Coroner
2008 Project Safe Neighborhood (indirect)	16.609	US08010300	CA Emergency Management Agency	1,201	District Attorney
2008 Project Safe Neighborhood (indirect)	16.609	US08010300	CA Emergency Management Agency	8,943	Sheriff-Coroner
Subtotal 16.609				10,144	

See accompanying Notes to the Schedule of Expenditures of Federal Awards and Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and Office of Emergency Services Grant Programs, and the Schedule of Grant Expenditures for Grant Provided by the California Health and Human Services Agency, Department of Aging.

COUNTY OF ORANGE, CALIFORNIA

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Federal Grantor County Program Name Direct or Indirect (1)	Catalog of Federal Domestic Assistance (CFDA) Number	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures	Responsible County Department/Agency
Dept. of Justice (Continued)					
2008 Anti-Drug Abuse Enforcement Program (indirect)	16.738	DC08190300	CA Emergency Management Agency	\$ 533,489	Sheriff-Coroner
2008 Anti-Drug Abuse Enforcement Program (indirect)	16.738	DC08190300	CA Emergency Management Agency	4,500	Probation
2008 Anti-Drug Abuse Enforcement Program (indirect)	16.738	DC08190300	CA Emergency Management Agency	82,300	District Attorney
2007 Edward Byrne Memorial Justice Assistance Grant (JAG) Program (direct)	16.738			65,321	Sheriff-Coroner
2007 Edward Byrne Memorial Justice Assistance Grant (JAG) Program (direct)	16.738			2,379	Probation
2008 Edward Byrne Memorial Justice Assistance Grant (JAG) Program (direct)	16.738			34,805	Sheriff-Coroner
Subtotal 16.738				722,794	
2007 DN-BX-K099 DNA Backlog Reduction Program (direct)	16.741			335,119	Sheriff-Coroner
2008 DN-BX-K062 DNA Backlog Reduction Program (direct)	16.741			165,699	Sheriff-Coroner
Subtotal 16.741				500,818	
2007 Coverdell National Forensic Science Improvement Act (indirect)	16.742	CQ07050300	CA Emergency Management Agency	53,364	Sheriff-Coroner
2008 Coverdell National Forensic Science Improvement Act (indirect)	16.742	CQ08060300	CA Emergency Management Agency	53,800	Sheriff-Coroner
Subtotal 16.742				107,164	
Anti-Gang Initiative Strategy (indirect)	16.744	AG07010300	CA Emergency Management Agency	22,018	District Attorney
Anti-Gang Initiative Strategy Grant FY 2006-2007 (indirect)	16.744	AG06017948	CA Emergency Management Agency	1,728	District Attorney
Subtotal 16.744				23,746	

See accompanying Notes to the Schedule of Expenditures of Federal Awards and Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and Office of Emergency Services Grant Programs, and the Schedule of Grant Expenditures for Grant Provided by the California Health and Human Services Agency, Department of Aging.

COUNTY OF ORANGE, CALIFORNIA

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Federal Grantor County Program Name Direct or Indirect (1)	Catalog of Federal Domestic Assistance (CFDA) Number	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures	Responsible County Department/Agency
Dept. of Justice (Continued)					
DOJ-FBI-OCJTTF - Overtime (direct)	16.UNKNOWN			\$ 67,780	Sheriff-Coroner
High Intensity Drug Trafficking Area (HIDTA) (direct)	16.UNKNOWN			897,982	Sheriff-Coroner
Regional Narcotics Suppression Program (RNSP) Forfeitures (direct)	16.UNKNOWN			3,558,038	Sheriff-Coroner
DOJ-FBI-Southern California Regional Sexual Felony Enforcement (SAFE) Team (direct)	16.UNKNOWN			14,849	Sheriff-Coroner
Sheriff's Narcotic Program (SNP) Forfeitures (direct)	16.UNKNOWN			363,074	Sheriff-Coroner
Department of Justice Forfeiture Program (direct)	16.UNKNOWN			116,208	District Attorney
Cyber Crime Task Force (direct)	16.UNKNOWN			13,048	District Attorney
Subtotal 16.UNKNOWN				5,030,979	
Subtotal - Dept. of Justice				39,480,547	
Dept. of Labor					
Title V - Senior Community Services Employment Program (indirect)	17.235	TV 0809-22	CA Dept. of Aging	781,808	OC Community Resources/OC Community Services
ARRA - Adult (indirect)	17.258	R970554	CA Employment Development Dept.	175,396	OC Community Resources/OC Community Services
Workforce Investment Act Title I Adult (2007) (indirect)	17.258	R865476	CA Employment Development Dept.	122,422	OC Community Resources/OC Community Services
Workforce Investment Act Title I Adult (2008) (indirect)	17.258	R970554	CA Employment Development Dept.	1,703,249	OC Community Resources/OC Community Services
ARRA - Youth (indirect)	17.259	R970554	CA Employment Development Dept.	341,331	OC Community Resources/OC Community Services
Workforce Investment Act Title I Youth (2006) (indirect)	17.259	R760340	CA Employment Development Dept.	141,677	OC Community Resources/OC Community Services
Workforce Investment Act Title I Youth (2007) (indirect)	17.259	R865476	CA Employment Development Dept.	133,500	OC Community Resources/OC Community Services
Workforce Investment Act Title I Youth (2008) (indirect)	17.259	R970554	CA Employment Development Dept.	1,689,570	OC Community Resources/OC Community Services

See accompanying Notes to the Schedule of Expenditures of Federal Awards and Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and Office of Emergency Services Grant Programs, and the Schedule of Grant Expenditures for Grant Provided by the California Health and Human Services Agency, Department of Aging.

COUNTY OF ORANGE, CALIFORNIA

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Federal Grantor County Program Name Direct or Indirect (1)	Catalog of Federal Domestic Assistance (CFDA) Number	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures	Responsible County Department/Agency
Dept. of Labor (Continued)					
ARRA - Dislocated Worker (indirect)	17.260	R970554	CA Employment Development Dept.	\$ 319,887	OC Community Resources/OC Community Services
Workforce Investment Act Title I Dislocated Worker (2007) (indirect)	17.260	R865476	CA Employment Development Dept.	2,809,762	OC Community Resources/OC Community Services
Workforce Investment Act Title I Dislocated Worker (2008) (indirect)	17.260	R970554	CA Employment Development Dept.	4,150,864	OC Community Resources/OC Community Services
Subtotal 17.258, 17.259, and 17.260 (WIA Cluster)				<u>11,587,658</u>	
Subtotal - Dept. of Labor				<u>12,369,466</u>	
Dept. of Transportation					
Airport Improvement Programs 0233- 35, 36, 37, 38, 39 (direct)	20.106			7,284,142	John Wayne Airport
Transportation Equity Act for the 21st Century (TEA-21) (indirect)	20.205	12-5955	CA Dept. of Transportation	484,063	OC Public Works
Elevated Roadways Seismic Retrofit (indirect)	20.205	12-5955	CA Dept. of Transportation	399,998	John Wayne Airport
Subtotal 20.205				<u>8,168,203</u>	
OTS - Avoid South 10 DUI Campaign (indirect)	20.600	AL0724	CA Office of Traffic Safety	141,329	Sheriff-Coroner
Subtotal - Dept. of Transportation				<u>8,309,532</u>	
Environmental Protection Agency					
BEACH Act Grant (indirect)	66.472	08-85535	CA Dept. of Public Health	25,000	Health Care Agency
Contaminated Fish Monitoring (direct)	66.802			27,218	Health Care Agency
Subtotal - Environmental Protection Agency				<u>52,218</u>	

See accompanying Notes to the Schedule of Expenditures of Federal Awards and Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and Office of Emergency Services Grant Programs, and the Schedule of Grant Expenditures for Grant Provided by the California Health and Human Services Agency, Department of Aging.

COUNTY OF ORANGE, CALIFORNIA

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2009

Federal Grantor County Program Name Direct or Indirect (1)	Catalog of Federal Domestic Assistance (CFDA) Number	Pass-Through Entity's Identifying Number (2)	Pass-Through Entity's Name	Disbursements/ Expenditures	Responsible County Department/Agency
Election Assistance Commission					
Help America Vote Act (HAVA) Section 301 Voting Systems Program (indirect)	90.401	07G30120	CA Secretary of State	\$ 3,841,614	Registrar of Voters
Subtotal - Election Assistance Commission				3,841,614	
Institute of Museum and Library Services					
Library Services and Technology Act Staff Education Program (indirect)	45.310	40-7025	CA State Library	18,137	OC Community Resources/OC Public Libraries
Library Services and Technology Act: Suite Life in Orange County California (indirect)	45.310	40-7151	CA State Library	20,000	OC Community Resources/OC Public Libraries
Library Services and Technology Act California of the Past: Pilot Digital Story Station Program Grant (indirect)	45.310	40-7102	CA State Library	5,000	OC Community Resources/OC Public Libraries
Subtotal - Institute of Museum and Library Services				43,137	
Grand Total				\$ 811,790,774	

LEGEND:

- (1) Indirect refers to Federal monies passed through various nonfederal agencies, primarily State of California agencies.
(2) The State of California does not assign a pass-through identification number for certain programs passed to the County.
Accordingly, a pass-through identification number is not listed for certain indirect programs.

See accompanying Notes to the Schedule of Expenditures of Federal Awards and Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and Office of Emergency Services Grant Programs, and the Schedule of Grant Expenditures for Grant Provided by the California Health and Human Services Agency, Department of Aging.

COUNTY OF ORANGE, CALIFORNIA

**Supplementary Schedule of Categorical Expenditure Distribution for the
Correction Standards Authority
and Office of Emergency Services Grant Programs
For The Year Ended June 30, 2009**

Program Name	CFDA#	Grant #		Categorical Expenditure Distribution			
				Personal Services	Operating Expenses	Equipment	Total
Juvenile Accountability Block Grant	16.523	CSA144-08	Federal Match	\$ 128,965 14,329 143,294	\$ 2,088 232 2,320	\$ - - -	\$ 131,053 14,561 145,614
Child Abuse Treatment Services (CHAT)	16.575	AT07040300	Federal Match	- - -	92,820 23,205 116,025	- - -	92,820 23,205 116,025
Child Abuse Treatment Services (CHAT)	16.575	AT08050300	Federal Match	- - -	117,950 29,488 147,438	- - -	117,950 29,488 147,438
Gang Victim Services - Special Emphasis	16.575	SE08180300	Federal Match	87,299 18,926 106,225	6,201 4,449 10,650	- - -	93,500 23,375 116,875
Victim Witness Assistance Program	16.575	VW08270300	Federal State Match	450,107 389,237 -	- 110,181 -	- - -	450,107 499,418 -
				839,344	110,181	-	949,525
Residential Substance Abuse Treatment (RSAT)	16.593	RT07070300	Federal Match	182,327 60,775 243,102	- - -	- - -	182,327 60,775 243,102

See accompanying Notes to Schedule of Expenditures of Federal Awards and Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and Office of Emergency Services Grant Programs, and the Schedule of Grant Expenditures for Grant Provided by the California Health and Human Services Agency, Department of Aging.

COUNTY OF ORANGE, CALIFORNIA

**Supplementary Schedule of Categorical Expenditure Distribution for the
Correction Standards Authority
and Office of Emergency Services Grant Programs
For The Year Ended June 30, 2009**

Program Name	CFDA#	Grant #	Categorical Expenditure Distribution			
			Personal Services	Operating Expenses	Equipment	Total
2007 Coverdell National Forensic Science Improvement Program (1)	16.742	CQ07050300	\$ -	\$ 53,364	-	\$ 53,364
2008 Coverdell National Forensic Science Improvement Program (1)	16.742	CQ08060300	-	53,800	-	53,800
Anti-Gang Initiative Strategy (1)	16.744	AG07010300	22,018	-	-	22,018
Anti-Gang Initiative Strategy Grant FY: 2006-2007 (1)	16.744	AG06017948	1,728	-	-	1,728
Anti-Drug Abuse Enforcement Program (1)	16.738	DC08190300	285,025	335,264	-	620,289
Project Safe Neighborhood (1)	16.609	US08010300	8,943	1,201	-	10,144
Vertical Prosecution Program (2)		VB08060300	556,243	25,168	-	581,411
2007 CAL-MMET Program (2)		MH07020300	85,918	23,333	-	109,251
2008 CAL-MMET Program (2)		MH08030300	237,253	11,626	-	248,879
			<u>\$ 2,529,093</u>	<u>\$ 890,370</u>	<u>\$ -</u>	<u>\$ 3,419,463</u>

(1) Federal = 100%

(2) State = 100%

See accompanying Notes to Schedule of Expenditures of Federal Awards and Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and Office of Emergency Services Grant Programs, and the Schedule of Grant Expenditures for Grant Provided by the California Health and Human Services Agency, Department of Aging.

COUNTY OF ORANGE, CALIFORNIA

Supplementary Schedule of Grant Expenditures For Grants Provided by the California Health and Human Services Agency, Department of Aging For The Year Ended June 30, 2009

Grantor County Program Name Direct or Indirect	Catalog of Federal Domestic Assistance	Pass-Through Entity's	Grant Award			Expenditures		
	Number (CFDA #)	Identifying Number	Federal	State	Total	Federal	State	Total
U.S. Department of Agriculture								
Pass-through the California Department of Aging:								
Value of Senior Farmer's Market Coupons (indirect)	10.576	AP 0809-22	\$ 3,500	\$ -	\$ 3,500	\$ 3,500	\$ -	\$ 3,500
U.S. Department of Health and Human Services								
Pass-through the California Department of Aging:								
Title VIIB - Elder Abuse Prevention (indirect)	93.041	AP 0809-22	39,933	-	39,933	39,933	-	39,933
Title VIIA - Ombudsman (indirect)	93.042	AP 0809-22	126,761	-	126,761	126,761	-	126,761
Title IIID - Preventive Health (indirect)	93.043	AP 0809-22	151,754	-	151,754	151,754	-	151,754
Title IIIB - Senior Supportive Services (indirect)	93.044	AP 0809-22	2,314,697	-	2,314,697	2,314,684	-	2,314,684
Title IIIC1 - Congregate Meals for Seniors (indirect)	93.045	AP 0809-22	1,911,979	99,011	2,010,990	1,911,979	99,011	2,010,990
Title IIIC2 - Home Delivered Meals for Seniors (indirect)	93.045	AP 0809-22	2,182,787	111,463	2,294,250	2,182,787	111,463	2,294,250
NSIP Title IIIC1 - Nutrition Services Incentive Program (indirect)	93.053	AP 0809-22	291,557	-	291,557	291,557	-	291,557
NSIP Title IIIC2 - Nutrition Services Incentive Program (indirect)	93.053	AP 0809-22	734,467	-	734,467	734,467	-	734,467
Subtotal 93.044, 93.045 & 93.053 (Aging Cluster)			7,435,487	210,474	7,645,961	7,435,474	210,474	7,645,948
National Family Caregiver Support Program (indirect)	93.052	AP 0809-22	1,231,176	-	1,231,176	1,229,177	-	1,229,177
Multipurpose Senior Services Program (indirect)	93.778	MS-0809-18	644,452	644,452	1,288,904	644,452	644,452	1,288,904
Health Care Financing Research, Demonstrations and Evaluations (indirect)	93.779	HI 0809-22	174,931	415,205	590,136	174,931	415,205	590,136
Total U.S. Department of Health and Human Services			9,804,494	1,270,131	11,074,625	9,802,482	1,270,131	11,072,613
U.S. Department of Labor								
Pass-through the California Department of Aging:								
Title V - Senior Community Services Employment Program (indirect)	17.235	TV-0809-22	818,852	-	818,852	781,808	-	781,808
California Health and Human Services Agency, Department of Aging:								
Community Based Service Programs			-	357,853	357,853	-	357,834	357,834
Ombudsman Volunteer Recruitment Initiative			-	89,995	89,995	-	89,995	89,995
Total California Health and Human Services Agency			-	447,848	447,848	-	447,829	447,829
Total			\$ 10,626,846	\$ 1,717,979	\$ 12,344,825	\$ 10,587,790	\$ 1,717,960	\$ 12,305,750

See accompanying Notes to Schedule of Expenditures of Federal Awards and Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and Office of Emergency Services Grant Programs, and the Schedule of Grant Expenditures for Grant Provided by the California Health and Human Services Agency, Department of Aging.

COUNTY OF ORANGE, CALIFORNIA

Notes to Schedule of Expenditures of Federal Awards, Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and Office of Emergency Services Grant Programs and Schedule of Grant Expenditures For Grants Provided by the California Health and Human Services Agency, Department of Aging Year Ended June 30, 2009

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the County of Orange, California (County). The County's reporting entity is defined in Note 1 of the notes to the County's basic financial statements. Federal awards received directly from federal agencies as well as federal awards passed through other government agencies, primarily the State of California, are included on the schedule.

2. BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting except for programs recorded in the County's enterprise funds, which are presented using the accrual basis of accounting, which is described in Note 1 to the County's basic financial statements.

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

4. RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying Schedule of Expenditures of Federal Awards are in material agreement with the amounts reported in the related federal financial reports for the federal award programs.

5. CORRECTION STANDARDS AUTHORITY AND OFFICE OF EMERGENCY SERVICES GRANT PROGRAMS

At the request of the Correction Standards Authority and State of California Office of Emergency Services, the categorical expenditure distribution for their grant programs is included as a supplementary schedule on pages 19 and 20.

6. CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY, DEPARTMENT OF AGING

At the request of the California Health and Human Services Agency, Department of Aging, the schedule of grant expenditures for their grant programs is included as a supplementary schedule on page 21.

COUNTY OF ORANGE, CALIFORNIA

Notes to Schedule of Expenditures of Federal Awards, Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and Office of Emergency Services Grant Programs and Schedule of Grant Expenditures For Grants Provided by the California Health and Human Services Agency, Department of Aging (Continued) Year Ended June 30, 2009

7. PASS-THROUGH AWARDS TO SUBRECIPIENTS

Included in the total expenditures of federal awards are the following amounts passed through to subrecipients:

County Program Title	CFDA #	Amount Provided to Subrecipients for the Year Ended June 30, 2009
Network For A Healthy California (indirect)	10.561	\$ 331,647
Individuals with Disabilities Education Act (IDEA) (indirect)	84.027	4,003,556
Projects for Assistance in Transition from Homelessness (PATH) Grant (indirect)	93.150	430,778
Housing Opportunities for Persons with AIDS (HOPWA) (indirect)	14.241	832,024
Pediatric Immunization (indirect)	93.268	65,126
Medi-Cal Administrative Activities (MAA) (indirect)	93.778	719,903
Minority AIDS Initiative (MAI) (direct)	93.914	240,113
Ryan White Part A (direct)	93.914	1,810,998
Ryan White Part B (indirect)	93.917	543,541
Block Grants for Community Mental Health Services (indirect)	93.958	1,272,318
Alcohol and Drug Program (indirect)	93.959	8,486,579
Maternal and Child Health (MCH) Allocation Title V and XIX (indirect)	93.994	7,694
Value of Senior Farmer's Market Coupons (indirect)	10.576	3,500
Title V - Senior Community Services Employment Program (indirect)	17.235	748,948
Workforce Investment Act Title I Adult (2007) (indirect)	17.258	91,287
Workforce Investment Act Title I Youth (2006) (indirect)	17.259	93,599
Workforce Investment Act Title I Youth (2007) (indirect)	17.259	131,341
Workforce Investment Act Title I Dislocated Worker (2007) (indirect)	17.260	2,419,255
Title VIIIB - Elder Abuse Prevention (indirect)	93.041	39,933
National Family Caregiver Support Program (indirect)	93.052	859,813
NSIP Title IIIC1 - Nutrition Services Incentive Program (indirect)	93.053	291,557
NSIP Title IIIC2 - Nutrition Services Incentive Program (indirect)	93.053	734,467
Health Care Financing Research, Demonstrations and Evaluations (indirect)	93.779	159,033
Community Development Block Grant (direct)	14.218	3,500,848
Emergency Shelter Grant Program (direct)	14.231	164,858

COUNTY OF ORANGE, CALIFORNIA

Notes to Schedule of Expenditures of Federal Awards, Supplementary Schedule of Categorical Expenditure Distribution for the Correction Standards Authority and Office of Emergency Services Grant Programs and Schedule of Grant Expenditures For Grants Provided by the California Health and Human Services Agency, Department of Aging (Continued) Year Ended June 30, 2009

7. PASS-THROUGH AWARDS TO SUBRECIPIENTS (CONTINUED)

County Program Title	CFDA #	Amount Provided to Subrecipients for the Year Ended June 30, 2009
Title VIIA - Ombudsman (indirect)	93.042	\$ 126,761
Title IIIB - Senior Supportive Services (indirect)	93.044	1,789,707
Title IIIC1 - Congregate Meals for Seniors (indirect)	93.045	1,646,217
Title IIIC2 - Home Delivered Meals for Seniors (indirect)	93.045	2,043,781
Workforce Investment Act Title I Adult (2008) (indirect)	17.258	1,160,746
Workforce Investment Act Title I Youth (2008) (indirect)	17.259	1,406,320
Workforce Investment Act Title I Dislocated Worker (2008) (indirect)	17.260	3,046,250
American Recovery and Reinvestment Act - Adult (indirect)	17.258	117,861
American Recovery and Reinvestment Act - Dislocated Worker (indirect)	17.260	160,646
American Recovery and Reinvestment Act - Youth (indirect)	17.259	71,369
2007 Emergency Management Preparedness Grant (EMPG) (indirect)	97.042	187,955
2006 Metropolitan Medical Response System (MMRS) (indirect)	97.067	220,693
2006 State Homeland Security Program (SHSP) (indirect)	97.067	510
2007 State Homeland Security Program (SHSP) (indirect)	97.067	73,942
2007 Edward Byrne Memorial Justice Assistance Grant (JAG) Program (direct)	16.738	7,444
2008 Anti-Drug Abuse Enforcement Program (indirect)	16.738	275,398
Child Abuse Treatment Services (indirect)	16.575	210,770
Refugee Employment Social Services (indirect)	93.566	358,009
Targeted Assistance (indirect)	93.584	23,847
Totals		\$ 40,910,941

COUNTY OF ORANGE, CALIFORNIA

**Notes to Schedule of Expenditures of Federal Awards, Supplementary Schedule
of Categorical Expenditure Distribution for the Correction Standards Authority and
Office of Emergency Services Grant Programs and Schedule of Grant Expenditures For Grants
Provided by the California Health and Human Services Agency, Department of Aging (Continued)
Year Ended June 30, 2009**

8. OUTSTANDING LOANS OF FEDERAL FUNDS

The following schedule presents the amount of outstanding loans by CFDA number. All loans are provided by the U.S. Department of Housing and Urban Development (HUD) and are included on the accompanying Schedule of Expenditures of Federal Awards:

<u>CFDA No.</u>	<u>Federal Program</u>	<u>Outstanding Loans at June 30, 2009</u>	<u>Prior Year Loans with Continuing Compliance Requirements</u>	<u>New Loans in Fiscal Year Ended June 30, 2009</u>
14.218	Community Development Block Grant	\$ 3,223,715	\$ 3,223,715	\$ -
14.239	HOME Investment Partnership Act	12,116,935	9,836,935	2,280,000

COUNTY OF ORANGE, CALIFORNIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2009**

I. SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued:	<u>Unqualified</u>
Internal control over financial reporting:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>None reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

Internal control over major programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>Yes</u>
Type of auditor's report issued on compliance for major programs:	<u>Unqualified</u>
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)	
Identification of major programs:	<u>Yes</u>

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.551, 10.561	<u>SNAP Cluster</u>
14.239	<u>Home Investment Partnerships Act</u>
16.606	<u>State Criminal Alien Assistance Program</u>
16.UNKNOWN	<u>Regional Narcotics Supression Program</u>
17.258, 17.259, 17.260	<u>WIA Cluster</u>
84.027	<u>Individuals with Disabilities Education Act</u>
93.558	<u>Temporary Assistance for Needy Families</u>
93.563	<u>Child Support Enforcement</u>
93.658	<u>Foster Care Title IV</u>
93.659	<u>Adoption Assistance Program</u>
93.778	<u>Medicaid Cluster</u>
93.914	<u>HIV Emergency Relief Project Grants</u>
97.067	<u>Homeland Security Cluster</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 3,000,000</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>

COUNTY OF ORANGE, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009

II. FINANCIAL STATEMENT FINDINGS

None reported.

COUNTY OF ORANGE, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FINDING 2009-01

Program: SNAP Cluster

CFDA No.: 10.551, 10.561

Federal Grantor: U.S. Department of Agriculture

Passed-through: State of California

Award No.: Various

Award Year: FY 2008-2009

Compliance Requirement: Reporting

Criteria:

The *March 2009 Office of Budget and Management (OMB) Circular A-133 Compliance Supplement* requires that a FNS-209 – *Status of Claims Against Households* be submitted.

The California Department of Social Services requires the completed Form FNS-209 to be submitted at the end of every quarter, no later than 30 days following the end of each quarter.

Condition:

Each of the four FNS-209 quarterly reports for fiscal year (FY) 2008-2009 were submitted after the due date. In each case, the report was submitted within one month after the due date.

Questioned Costs:

None

Context:

The condition noted above was identified during our examination of the County's reporting process.

Effect:

It was noted that the reports were prepared and filed, however; the reports were submitted after the due date.

Cause:

The County's procedures did not ensure that FNS-209 reports were submitted on or before the due date.

Recommendation:

We recommend that the County strengthen procedures to ensure that required reports are submitted by the required due dates.

COUNTY OF ORANGE, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

Year Ended June 30, 2009

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Views of Responsible Officials and Planned Corrective Actions:

SSA will continue its efforts and commitment to timely submission of the FNS 209 reports. The primary factor contributing to the late submission of the FNS 209 reports for the period FY 2008-2009 (October 2008 to September 2009) was the lack of available resources to work on the report due to staff reductions and a mandatory furlough of 80 hours from February to June 2009. The FNS 209 is a complex report which requires the compilation of several documents for backup and is time-intensive. As there was no material financial impact caused by the delayed submission of the FNS 209 reports, a higher priority was given to projects and deadlines which would have had a material impact either financially or in terms of the quality of services rendered to SSA clients.

SSA appreciates the observations and recommendations of this audit. Going forward, every effort will be made to ensure the reports are submitted by the due deadlines. The quarterly reports are due by October 30th, January 31st, March 31st and July 31st.

Corrective actions will include the following:

Reinforce the importance of timely submission of the reports to staff at management meetings.
Designate a staff person to monitor timely submission of the quarterly reports.

FINDING 2009-02

Program: SNAP Cluster

CFDA No.: 10.551, 10.561

Federal Grantor: U.S. Department of Agriculture

Passed-through: State of California

Award No.: Various

Award Year: FY 2008-2009

Compliance Requirement: Special Tests and Provisions

Criteria:

OMB Circular A-133, Sub-part C, Section 300, Part b, states that the auditee is responsible for “maintaining internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.”

In order to determine eligibility to receive benefits, the County utilizes several required forms and reports including but not limited to:

1. SAWS2A—Rights and Responsibilities. This form provides rights and responsibilities to the applicant and is required by the California Department of Social Services to be signed by the applicant and service worker and maintained.
2. TEMP 2215—Electronic Benefit Transfer (EBT) Important Information. This form certifies that information has been read and understood by the applicant and is required by the California Department of Social Services to be signed and maintained.

COUNTY OF ORANGE, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

Year Ended June 30, 2009

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

3. IEVS Report—Income Eligibility Verification System (IEVS). This report is required to be generated and reviewed by the Service Worker. The Service Worker evidences review through signature on the report or through documentation in the case notes.

Condition:

Of the 40 case files selected for testwork, the following was noted:

1. Two SAWS2A forms could not be located.
2. Two SAWS2A forms were not signed by the Service Worker.
3. Two TEMP 2215 EBT forms could not be located.
4. One IEVS report could not be located.
5. Three IEVS reports were not signed by the Service Worker.

Questioned Costs:

None

Context:

The condition noted above was identified during examination of the case files for the required federal and state forms.

Effect:

There is an increased risk of non-compliance with the special test and provision requirements set forth in *OMB A-I33 Compliance Supplement*.

Cause:

The County's procedures did not ensure that the required federal and state forms and reports were consistently signed by service workers and maintained in the case files.

Recommendation:

We recommend that the County strengthen procedures to ensure that required forms and reports are signed by the appropriate persons and maintained in case files.

Views of Responsible Officials and Planned Corrective Actions:

IEVS refresher training was recently provided, including new procedures for reviewing and processing IEVS reports in the CalWIN automated system. Reminders on filing the TEMP 2215 EBT form and signing and filing the SAWS2A will be provided to all staff in writing, reinforced verbally at staff meetings, and posted on the Intranet. Unit supervisors will continue to review cases and monitor for compliance with these requirements.

COUNTY OF ORANGE, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

FINDING 2009-03

Program: HOME

CFDA No.: 14.239

Federal Grantor: U.S. Department of Housing and Urban Development

Passed-through: N/A

Award No.: M-08-UC-06-0525

Award Year: FY 2008-2009

Compliance Requirement: Special Tests and Provisions

Criteria:

The *March 2009 OMB Circular A-133 Compliance Supplement* requires that during the period of affordability (i.e., the period for which the non-federal entity must maintain subsidized housing) for HOME assisted rental housing, the participating jurisdiction must perform on-site inspections to determine compliance with property standards and verify the information submitted by the owners every year for projects containing 26 or more units.

Condition:

Of our sample of items tested, we noted one instance where the on-site visit was not performed.

Questioned Costs:

None

Context:

The condition noted above was identified during examination of the County's process over Housing Quality Standards.

Effect:

The County did not comply with requirements for annual on-visits in one instance.

Cause:

The County's procedures did not ensure that on-site visits are performed at the required intervals.

Recommendation:

We recommend that the County strengthen procedures to ensure that on site visits are consistently performed.

Views of Responsible Officials and Planned Corrective Actions:

Orange County Community Resources (OCCR) has strengthened project scheduling processes to ensure compliance with annual monitoring. As part of this process, OCCR has completed the monitoring to date for all HOME assisted units. Management will review all inspection reports for timely completion and compliance.

COUNTY OF ORANGE, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

Year Ended June 30, 2009

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

FINDING 2009-04

Program: Regional Narcotics Suppression Program (RNSP)

CFDA No.: 16.UNKNOWN

Federal Grantor: U.S. Department of Justice

Passed-through: N/A

Award No.: Various

Award Year: Various

Compliance Requirement: Reporting

Criteria:

The *DOJ Guide to Equitable Sharing Part X, sec. A* states that as a prerequisite to participating in the Department of Justice Equitable Sharing Program, a state or local law enforcement agency must annually submit to Asset Forfeiture and Money Laundering Section (AFMLS) a signed Equitable Sharing Agreement and Certification form. The agreement must be signed by the head of the law enforcement agency and a designated official of the governing body. By signing the affidavit, the signatories agree to be bound by the statutes and guidelines that regulate the equitable sharing program and certify that the law enforcement agency will comply with these guidelines and statutes.

State and local law enforcement agencies must submit this form within 60 days after the end of an agency's fiscal year, regardless of whether funds were received or maintained during the fiscal year.

Condition:

While testing the Equitable Sharing and Certification form submitted pertaining to the fiscal year, we noted that report was submitted 98 days after the end of the County's fiscal year.

Questioned Costs:

None

Context:

The condition noted above was identified during our testing of the Reporting requirements of the program.

Effect:

The County increases its risk of non-compliance with reporting requirements with the U.S. Department of Justice as detailed in *Part XI* of the *Guide to Equitable Sharing*.

Cause:

The County's procedures did not ensure the timely submittal of the Equitable Sharing and Certification form.

COUNTY OF ORANGE, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

Year Ended June 30, 2009

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Recommendation:

We recommend the County strengthen its procedures regarding the timely submittal of the Equitable Sharing and Certification form.

Views of Responsible Officials and Planned Corrective Actions:

Concur. The RNSP grant manager will adhere to the Sheriff Department's grant procedures as to reconcile all grant supporting documents, and further streamline the process with the Sheriff Department to establish a more efficient and timely process to validate. This will allow timely submission of the Equitable Sharing Agreement and Certification.

FINDING 2009-05

Program: WIA Cluster, Aging Cluster, Homeland Security Cluster

CFDA No.: 17.258, 17.259, 17.260, 93.041, 93.042, 93.043, 93.044, 93.045, 93.052, 93.053, 97.067

Federal Grantor: U.S. Department of Labor, U.S. Department of Health and Human Services, U.S. Department of Homeland Security

Passed-through: State of California

Award No.: Various

Award Year: Various

Compliance Requirement: Subrecipient Monitoring

Criteria:

The *March 2009 OMB Circular A-133 Compliance Supplement* states that a pass-through entity is responsible for "Award Identification – At the time of the award, identifying to the subrecipient the Federal award information (e.g., CFDA title and number, award name, name of Federal agency) and applicable compliance requirements."

Condition:

It was noted that the agreements between the County and the providers (subrecipients) did not include the CFDA title and number and name of federal agency as required by *OMB Circular A-133*.

Questioned Costs:

None

Context:

The condition noted above was identified during our examination of the County's contracts/ agreements with subrecipients.

For the Aging Cluster, the finding results from our follow-up on the status of prior year finding 2008-06.

COUNTY OF ORANGE, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

Year Ended June 30, 2009

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Effect:

The subrecipient agreements do not specifically identify the CFDA title and number, award name and federal agency. Accordingly, subrecipients may not be aware that they have received federal funding, which might require the subrecipient to have a Single Audit performed.

Cause:

The County's subrecipient monitoring procedures did not specifically ensure that the CFDA title and number, award name and federal agency were identified in the formalized agreement executed with subrecipients.

Recommendation:

We recommend the County enhance its policies and procedures to ensure that information required by *OMB Circular A-133* is included in subrecipient agreements.

View of Responsible Official and Planned Corrective Action:

Response from OCCR for the WIA Program:

Concur. Community Investment Division/Orange County Workforce Investment Board staff will modify the Workforce Investment Act (WIA) contract boilerplate for FY 2010-2011 to include all required federal award information including the CFDA name and title. In addition, all current year WIA contractors will be immediately notified of the required federal award information via letter.

Response from OCCR, Office on Aging for the Aging Cluster:

Concur. All agreements between OCCR, Office on Aging and the subrecipients for FY 2009-2010 contain the CFDA numbers and award names on the first page of the agreement. The name of the federal awarding agency will be added beginning with amendments effective in April 2010.

Response from the Sheriff Department for the Homeland Security Grant Program:

Concur. The Sheriff Department's Homeland Security Unit prepared transfer agreements/templates for all FY 2009-2010 grants that include the CFDA title, number, and name of federal agency as required by *OMB Circular A-133*.

COUNTY OF ORANGE, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

Year Ended June 30, 2009

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

FINDING 2009-06

Program: WIA Cluster

CFDA No.: 17.258, 17.259, 17.260

Federal Grantor: U.S. Department of Labor

Passed-through: State of California

Award No.: Various

Award Year: FY 2008-2009

Compliance Requirement: Subrecipient Monitoring

Criteria:

The *March 2009 OMB Circular A-133 Compliance Supplement* states that a pass-through entity is responsible for:

1. “*During-the-Award-Monitoring* – Monitoring the subrecipient’s use of federal awards through reporting, site visits, regular contact, or other means to provide reasonable assurance that the subrecipient administers federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.”
2. “*Subrecipient Audits* – Ensuring that subrecipients expending \$500,000 or more in federal awards during the subrecipient’s fiscal year for fiscal years ending after December 31, 2003 as provided in OMB Circular A-133 have met the audit requirements of OMB Circular A-133 and that the required audits are completed within 9 months of the end of the subrecipient’s audit period.”

Condition:

It was noted that for one subrecipient, on-site fiscal monitoring was not performed and the Single Audit report for the entity was not obtained.

Questioned Costs:

None

Context:

The condition noted above was identified during our examination of the County’s contracts/agreements and monitoring of subrecipients.

Effect:

As a result of the conditions noted, there is an increased risk that the County may be unaware of any findings and status of corrective actions for a subrecipient.

Cause:

The County’s subrecipient monitoring procedures did not specifically ensure that fiscal monitoring procedures were performed over all subrecipients in accordance with the department’s policies and procedures.

COUNTY OF ORANGE, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

Year Ended June 30, 2009

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Recommendation:

We recommend the County enhance its policies and procedures to ensure subrecipients are consistently monitored and that subrecipient Single Audit reports are obtained and reviewed.

Views of Responsible Officials and Planned Corrective Actions:

Concur. Accounting staff will submit fiscal monitoring and audit resolution status reports to a manager on a monthly basis. If fiscal monitoring and audit resolutions are not completed by the assigned due dates, the manager will follow-up with staff at least weekly and ensure that priority is given to completing this work. If Single Audit reports are not received from sub-recipients, they will be contacted and regular follow-up will occur until the reports are received.

FINDING 2009-07

Program: Temporary Assistance for Needy Families

CFDA No.: 93.558

Federal Grantor: U.S. Department of Health and Human Services

Passed-through: State of California

Award No.: 1946001347 A7

Award Year: FY 2008-2009

Compliance Requirement: Eligibility and Special Tests and Provisions

Criteria:

The *March 2009 OMB Circular A-133 Compliance Supplement* requires that the County determine the eligibility of program participants based on several requirements including, but not limited to, the existence of a minor child in the home, "needy" status, and financial eligibility. To facilitate the eligibility determination, the County utilizes the following:

1. TEMP 2215—Electronic Benefit Transfer Important Information. This form is required to be signed by the applicant and maintained.
2. IEVS Report—Income Eligibility Verification System. This report is required to be generated and reviewed by the Service Worker. The Service Worker evidences review through signature on the report.

Condition:

Of the 60 case files selected for testing the following was noted:

1. One TEMP 2215 EBT form could not be located.
2. Six IEVS reports could not be located.

Questioned Costs:

None

COUNTY OF ORANGE, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

Year Ended June 30, 2009

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Context:

The condition noted above was identified during examination of the County's process over case files.

Effect:

The County increases its risk of non-compliance with the eligibility requirements and special tests and provisions requirements applicable to the program.

Cause:

The County's procedures did not consistently ensure that the TEMP 2215 EBT form and IEVS reports were signed by service workers and maintained in the case files.

Recommendation:

We recommend that the County strengthen procedures to ensure that required forms and reports are signed by the appropriate persons and maintained in case files.

Views of Responsible Officials and Planned Corrective Actions:

SSA continues its efforts and commitment to accurate and timely processing of CalWORKs cases and IEVS reports.

These efforts will include:

1. One TEMP 2215 EBT form could not be located.

Response: Monthly program meetings with regional managers and supervisors include periodic reminders to address case filing guidelines to ensure that the worker and applicant review, sign, and date the TEMP 2215 and file the original in the case record and a copy is given to the applicant.

2. Six IEVS reports could not be located.

Response: The agency will continue to make every effort to ensure that the IEVS reports are obtained and documented in the participant case files.

These efforts include:

- Newly revised IEVS Policies and Resource Guides (RGs) available in the IEVS Manual folder, on the Program Integrity section of the Administration Intranet.
- The case worker of record is responsible for review for IEVS matches at initial application, adding a program, adding a person with a social security number (SSN) to an active case, entering/changing a SSN for a person in an active case, and when processing a QR-7 or RRR.
- IEVS reports are no longer distributed in hard copy. The information is now automated, displayed, and processed in the IEVS Applicant Reports windows in CalWIN.

COUNTY OF ORANGE, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

Year Ended June 30, 2009

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

SSA will continue to implement procedures to ensure that the TEMP 2215 forms are obtained and documented in the participant case files by the Agency's quality assurance practices including:

1. Formal case reviews by supervisory staff of a sample of CalWORKs cases.
2. Formal case reviews by Quality Assurance staff of a sample of CalWORKs cases.
3. Informal case reviews by supervisory staff on an "as needed" basis according to recipient requests, employee development, or other factors.

SSA appreciates the observations and recommendations of this audit regarding strengthening procedures to ensure that the required forms and reports are signed by the appropriate persons and maintained in the case files.

FINDING 2009-08

Program: Foster Care Title IV-E

CFDA No.: 93.658

Federal Agency: U.S. Department of Health and Human Services

Passed-through: State of California

Award No.: 1946001347 A7

Award Year: FY 2008-2009

Compliance Requirement: Reporting

Criteria:

The State of California Department of Social Services requires that the County submit the *Caseload Movement and Expenditures Report CA 237 FC* report within 20 days of end of each month.

Condition:

It was noted that 10 of the 12 monthly reports were submitted after the date required. Also, it was noted that the County did not maintain the supporting documentation for the reports submitted from July 2008 through December 2008.

Questioned Costs:

None

Context:

The condition was identified during our examination of the Foster Care Title IV-E program reporting requirements.

Effect:

The County has an increased risk of non-compliance for the reporting of the *Caseload Movement and Expenditures Report CA 237 FC*.

COUNTY OF ORANGE, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

Year Ended June 30, 2009

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Cause:

The County's procedures did not ensure that the *Caseload Movement and Expenditures Report CA 237 FC* report was submitted timely.

Recommendation:

We recommend that the County strengthen its procedures to ensure that required reports are submitted timely.

Views of Responsible Officials and Planned Corrective Actions:

SSA will continue its efforts and commitment to timely submission of the CA 237 FC reports. The primary factor contributing to the late submission of the CA 237 FC reports for the period FY 2008-2009 (July 2008 to June 2009) was the lack of available resources to work on the report due to staff reductions and a mandatory furlough of 80 hours from February to June 2009. As there was no material financial impact caused by the delayed submission of the CA 237 FC reports, a higher priority was given to projects and deadlines which would have had a material impact either financially or in terms of the quality of services rendered to SSA clients.

SSA appreciates the observations and recommendations of this audit. Going forward, every effort will be made to ensure the reports are submitted monthly within 20 days of the end of each month.

Corrective actions will include the following:

- Reinforce the importance of timely submission of the reports and retention of backup documentation to staff at management meetings.
- Designate a staff person to monitor timely submission of the monthly reports.

FINDING 2009-09

Program: Foster Care Title IV-E

CFDA No.: 93.658

Federal Agency: U.S. Department of Health and Human Services

Passed-through: State of California

Award No.: 1946001347 A7

Award Year: FY 2008-2009

Compliance Requirement: Eligibility

Criteria:

The *March 2009 OMB Circular A-133 Compliance Supplement* requires that the County determine eligibility in accordance with the specific eligibility requirements defined in the approved State plan. These requirements include the maintenance of documentation necessary to support eligibility determinations and re-determinations.

COUNTY OF ORANGE, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

Year Ended June 30, 2009

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

To ensure compliance with the eligibility requirements for the Foster Care program, the County maintains the following primary source documents; Statement of Facts Supporting Eligibility for AFDC-Foster Care and a required worksheet to determine whether certain eligibility requirements were met by potential Foster Care recipients, FC-2 and FC-3A respectively. As part of the County's procedures, the FC-2 must be signed by the eligibility worker and reviewed by the eligibility worker's supervisor.

Condition:

Of the 40 case files selected for testwork, we noted the following:

1. Two case files where the FC-2 at intake did not have the eligibility worker's signature present in the file.
2. Seven case files where the eligibility worker's supervisor's review was not evidenced on the FC-2.
3. Two case files that did not properly include necessary elements related to Minimum Basic Standards of Adequate Care (MBSAC) amounts on the FC-3A.

Questioned Costs:

None

Context:

The condition noted above was identified during our examination of the Foster Care Title IV-E program recipient case files.

Effect:

The internal controls over the eligibility determination process are weakened.

Cause:

The County's procedures did not ensure that Determination of Federal AFDC-FC Eligibility (FC-3A) and Statement of Facts Supporting Eligibility for AFDC-FC (FC-2) were consistently reviewed.

Recommendation:

We recommend that the County strengthen its procedures to ensure that the FC-2 is consistently signed by the eligibility worker, the supervisor's review is evidenced by signature, and the amounts relating to the MBSAC on the FC-3A are included.

COUNTY OF ORANGE, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

Year Ended June 30, 2009

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Views of Responsible Officials and Planned Corrective Actions:

SSA strives to maintain documentation supporting eligibility determinations and re-determinations. Actions towards this effort include:

1. FC-2 signatures
 - The previous business practice included supervisory review of FC-2 forms, but did not require supervisory signature. Implementation of supervisory review and signature of all FC-2 forms, both at intake and yearly eligibility re-determination was rolled out on a staggered basis beginning with eligibility re-determinations occurring after January 2009.
 - A new Eligibility Supervisor RRR Checklist was instituted to facilitate supervisory review for signed FC-2 forms and other important documentation. The checklist includes ensuring the eligibility technician has signed the FC-2 form. The checklists are submitted to second line supervisors on a monthly basis. This was rolled out on a staggered basis beginning with eligibility re-determinations conducted after January 2009.
 - Samples of cases are reviewed on a monthly basis by second-line supervisors to ensure compliance with FC-2 form signatures.
2. FC-3A MBSAC entries
 - The FC-3A form pertains to intake cases. All intake cases are reviewed by supervisors. The supervisory review now includes ensuring the MBSAC entries are completed on the FC-3A forms.
 - Samples of cases are reviewed regularly by second-line supervisors. This review now includes ensuring the MBSAC entries are completed on the FC-3A forms.

FINDING 2009-10

Program: Foster Care Title IV-E and Adoption Assistance Program

CFDA No.: 93.658 and 93.659

Federal Agency: U.S. Department of Health and Human Services

Passed-through: State of California

Award No.: Various

Award Year: Various

Compliance Requirement: Reporting

Criteria:

OMB Circular A-133 section .310b(3) states that entities must “provide total Federal awards expended for each individual Federal program and the CFDA number” as part of the minimum requirements for the Schedule of Expenditures of Federal Awards (SEFA).

Condition:

While testing the balances reported in the SEFA, it was noted that benefit payments related to Adoption Assistance Program participants were reported under the Foster Care Title IV-E catalog of federal domestic assistance number.

COUNTY OF ORANGE, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

Year Ended June 30, 2009

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Questioned Costs:

None

Context:

The condition noted above was identified during our testing of the Reporting requirements of the programs.

Effect:

A reclassification of expenditures was necessary to reclassify the amounts reported for the Foster Care and Adoption Assistance programs in the SEFA.

Cause:

The County's mapping of program expenditures from the County Expense Claim to the SEFA did not correctly identify the benefit payments to the Foster Care program.

Recommendation:

We recommend the County strengthen its procedures regarding the classification of federal expenditures under the appropriate CFDA number.

Views of Responsible Officials and Planned Corrective Actions:

SSA acknowledges and appreciates the observations and recommendations of this audit regarding expenditure reporting. The accurate reporting of expenditures is a high priority for SSA. This is evidenced by the fact that the overall expenditures reported for all federal programs listed on the SEFA is correct and supported by ample backup documentation. To insure that expenditures are reported to the correct CFDA numbers, SSA plans to review each federal program reported on the SEFA and obtain documentation supporting the CFDA number used for each program.

COUNTY OF ORANGE, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

FINDING 2009-11

Program: Medicaid Cluster

CFDA No.: 93.778

Federal Grantor: U.S. Department of Health and Human Services

Passed-through: State of California

Award No.: 1946001347 A7

Award Year: FY 2008-2009

Compliance Requirement: Eligibility

Criteria:

The *March 2009 OMB Circular A-133 Compliance Supplement* requires that the County utilize the Income and Eligibility Verification System (IEVS) to verify eligibility using wage information available from agencies such as those administering State unemployment compensation laws, Social Security Administration, and the Internal Revenue Service to verify income eligibility and the amount of eligible benefits. The State of California has used IEVS since 1987 to verify income information received from applicants and recipients.

The County's formal policy is to print and sign the IEVS report and include the documentation in the case file.

Condition:

Of the 60 case files selected for testwork, we noted nine files did not contain evidence of caseworker review of the IEVS reports.

Questioned Costs:

None

Context:

The condition noted above was identified during our examination of the SSA's participant case files of the Medical program. It was noted that although the IEVS reports did not contain evidence of review, the participants were eligible for the program.

Effect:

As a result of the condition, the internal control over review of the IEVS reports was not consistently documented.

Cause:

The County's eligibility procedures did not ensure that the review of IEVS reports were consistently documented.

Recommendation:

We recommend that the County strengthen its procedures to ensure that the review of the IEVS reports are consistently documented in the participant case files.

COUNTY OF ORANGE, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Views of Responsible Officials and Planned Corrective Actions:

IEVS reports were previously distributed in hard copy, reviewed, signed by the eligibility technician and placed in the case file. As part of our transition to the CalWIN system, hard copies of the IEVS reports were discontinued. IEVS data is viewable from within the electronic case file maintained in the CalWIN system. Eligibility technicians view the IEVS data in CalWIN to verify income information. Initially, however, CalWIN did not facilitate documenting that this review had occurred. In February 2010, newly revised IEVS Policies and Resource Guides were provided to staff. These provide instructions in using CalWIN features to document the review of IEVS data. The cases cited with missing IEVS report signatures have been updated to document the review of IEVS data.

Finding 2009-12

Program: Homeland Security Cluster

CFDA No.: 97.067

Federal Grantor: U.S. Department of Homeland Security

Passed-through: State of California

Award No.: Various

Award Year: 2006, 2007, 2008

Compliance Requirement: Equipment and Real Property Management

Criteria:

Per *OMB Circular A-102*, equipment records must be maintained and contain the description, source, acquisition date, cost, percentage of Federal participation in the cost, location, condition, and any ultimate disposition data.

Condition:

To comply with these elements, the Sheriff Department has implemented a barcode inventory system. While testing the requirements of Equipment and Real Property Management, it was noted that five items selected had not been subject to the barcode inventory procedures.

Questioned Costs:

None

Context:

The condition noted above was identified during our testing of the Equipment and Real Property Management requirements.

Effect:

Assets purchased with federal funds were not added to the County's inventory system; thereby, increasing the risk of noncompliance with Equipment and Real Property Management requirements.

COUNTY OF ORANGE, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

Year Ended June 30, 2009

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Cause:

The Sheriff Department did not consistently follow its procedures to track assets using its barcode inventory system.

Recommendation:

We recommend the Sheriff Department consistently adhere to its inventory procedures for the tracking of federal assets.

Views of Responsible Officials and Planned Corrective Actions:

Concur. The Sheriff Department acknowledges that equipment had not been subjected to the barcode procedure in a timely manner. The Homeland Security Grants Manager has reviewed the procedure document and incorporated timeframes for processing of equipment. They have re-trained responsible staff emphasizing the need for timely completion of the procedure.

COUNTY OF ORANGE, CALIFORNIA

SUMMARY OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
Year Ended June 30, 2009

Finding No.	Program	CFDA No.	Compliance Requirement	Status of Corrective Action
2008-01	Homeland Security Grant Program	97.067, 97.071, 97.073, 97.074	Subrecipient Monitoring	Implemented
2008-02	Homeland Security Grant Program	97.067, 97.071, 97.073, 97.074	Davis-Bacon Act	Implemented
2008-03	Homeland Security Grant Program	97.067, 97.071, 97.073, 97.074	Equipment and Real Property Management	Not Implemented. See Current Year Finding 2009-12
2008-04	Homeland Security Grant Program	97.067, 97.071, 97.073, 97.074	Allowable Costs	Implemented
2008-05	Homeland Security Grant Program	97.067, 97.071, 97.073, 97.074	Reporting	Implemented
2008-06	Aging Cluster	93.041, 93.042, 93.043, 93.044, 93.045, 93.052, 93.053	Subrecipient Monitoring	Not Implemented. See Current Year Finding 2009-05
2008-07	Aging Cluster	93.041, 93.042, 93.043, 93.044, 93.045, 93.052, 93.053	Allowable Costs	Implemented
2008-08	Aging Cluster	93.041, 93.042, 93.043, 93.044, 93.045, 93.052, 93.053	Subrecipient Monitoring	Implemented
2008-09	Temporary Assistance for Needy Families	93.558	Allowable Costs and Activities	Implemented
2008-10	Temporary Assistance for Needy Families	93.558	Special Tests and Provisions - Income and Eligibility Verification System	Not Implemented. See Current Year Finding 2009-07
2008-11	Temporary Assistance for Needy Families	93.558	Eligibility	Not Implemented. See Current Year Finding 2009-07
2008-12	Medi-Cal Assistance Program	93.778	Allowable Costs and Activities	Implemented
2008-13	Medi-Cal Assistance Program	93.778	Eligibility	Implemented
2008-14	Alcohol and Drug Program	93.959	Subrecipient Monitoring	Implemented