

COUNTY OF SAN MATEO

Single Audit Reports

Year Ended June 30, 2011



Certified Public Accountants.

COUNTY OF SAN MATEO
Single Audit Reports
Year Ended June 30, 2011

Table of Contents

	Page
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 <i>Government Auditing Standards</i>	1
Independent Auditor's Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program, on Internal Control Over Compliance and on the Schedule of Expenditures of Federal Awards in Accordance with OMB Circular A-133.....	3
Schedule of Expenditures of Federal Awards.....	7
Notes to the Schedule of Expenditures of Federal Awards.....	13
Schedule of Findings and Questioned Costs.....	19
Schedule of Prior Year Findings and Questioned Costs	21

To the Grand Jury and the Board of Supervisors of
the County of San Mateo
Redwood City, California

**Independent Auditor's Report on Internal Control Over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of County of San Mateo, California (County), as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements and have issued our report thereon dated November 16, 2011. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Housing Authority of the County of San Mateo and the San Mateo County Employees' Retirement Association, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of the County, in a separate letter dated November 16, 2011.

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

Macias Gini & Cannelo LLP

Walnut Creek, California
November 16, 2011

To Grand Jury and the Board of Supervisors of
the County of San Mateo
Redwood City, California

Independent Auditor’s Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program, on Internal Control Over Compliance and on the Schedule of Expenditures of Federal Awards In Accordance with OMB Circular A-133

Compliance

We have audited the County of San Mateo, California’s (County) compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the County’s major federal programs for the year ended June 30, 2011. 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 County’s management. Our responsibility is to express an opinion on County’s compliance based on our audit.

The County’s basic financial statements include the operations of the Housing Authority of County of San Mateo (Housing Authority), which received \$66,778,118 in federal awards which is not included in the schedule of expenditures of federal awards during the year ended June 30, 2011. Our audit, described below, did not include the operations of Housing Authority, because the Housing Authority engaged other auditors to perform an audit in accordance with OMB Circular A-133.

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

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control over Compliance

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 the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item 2011-01. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of and for the year ended June 30, 2011, and have issued our report thereon dated November 16, 2011, which contained unqualified opinions on those financial statements. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

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

Macias Gini & Connell LLP

Walnut Creek, California
March 29, 2012

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COUNTY OF SAN MATEO
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number (CFDA)	Federal Expenditures	Amount Provided to Subrecipients	Pass-Through Entity Number
U.S. DEPARTMENT OF AGRICULTURE				
Pass-Through Programs, State of California, Department of Food and Agriculture:				
Plant and Animal Disease, Pest Control, and Animal Care	10.025	\$ 2,313	\$ -	09-0745
Plant and Animal Disease, Pest Control, and Animal Care	10.025	318,231	-	10-0350
Plant and Animal Disease, Pest Control, and Animal Care	10.025	255,350	-	10-0227
Plant and Animal Disease, Pest Control, and Animal Care	10.025	16,998	-	10-0512
Plant and Animal Disease, Pest Control, and Animal Care	10.025	24,961	-	LBAMR10SM04
Plant and Animal Disease, Pest Control, and Animal Care	10.025	6,080	-	10-0104-SF
Plant and Animal Disease, Pest Control, and Animal Care	10.025	1,729	-	10-0661
Plant and Animal Disease, Pest Control, and Animal Care	10.025	4,462	-	10-0132-SF
Total Plant and Animal Disease, Pest Control, and Animal Care		<u>630,124</u>	<u>-</u>	
Senior Farmers Market Nutrition Program	10.576	10,000	10,000	--
ARRA - Wildland Fire Management	10.688	18,700	17,000	09-0653
Pass-Through Programs, State of California, Department of Social Services:				
SNAP Cluster:				
State Administrative Matching Grants for Supplemental Nutrition Assistance Program (SNAP)	10.561	5,097,194	-	--
ARRA - State Administrative Matching Grants for SNAP	10.561	327,841	-	--
State Administrative Matching Grants for SNAP	10.561	180,091	-	09-11233
Subtotal of SNAP Cluster		<u>5,605,126</u>	<u>-</u>	
Pass-Through Programs, State of California, Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	102,942	-	41-10413-6045223-01
National School Lunch Program	10.555	162,597	-	41-10413-6045223-01
Subtotal of Child Nutrition Cluster		<u>265,539</u>	<u>-</u>	
Pass-Through Programs, State of California, Department of Public Health:				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	3,461,398	-	08-85467
ARRA - Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	16,826	-	08-85467
Subtotal of Special Supplemental Nutrition Program for Women, Infants, and Children		<u>3,478,224</u>	<u>-</u>	
Subtotal of Pass-Through Programs		<u>10,007,713</u>	<u>27,000</u>	
TOTAL U.S. DEPARTMENT OF AGRICULTURE		<u>10,007,713</u>	<u>27,000</u>	
U.S. DEPARTMENT OF COMMERCE				
Pass-Through Program, City and County of San Francisco:				
Public Safety Interoperable Communications Grant Program	11.555	1,956,517	-	2007-2008
TOTAL U.S. DEPARTMENT OF COMMERCE		<u>1,956,517</u>	<u>-</u>	
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Direct Programs:				
CDBG - Entitlement Grants Cluster:				
Community Development Block Grants / Entitlement Grants	14.218	2,947,348	1,716,631	--
ARRA - Community Development Block Grants / Entitlement Grants	14.253	473,750	408,010	--
Subtotal of CDBG - Entitlement Grants Cluster		<u>3,421,098</u>	<u>2,124,641</u>	
Emergency Shelter Grants Program	14.231	131,399	113,407	--
Home Investment Partnerships Program	14.239	22,435,813	923,911	--
ARRA - Homeless Prevention Rapid Re-housing Program	14.257	639,967	516,158	--
Subtotal of Direct Programs		<u>26,628,277</u>	<u>3,678,117</u>	
Pass-Through Program, San Francisco Redevelopment Agency:				
Housing Opportunities for Persons with AIDS	14.241	871,100	630,708	--
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		<u>27,499,377</u>	<u>4,308,825</u>	
U.S. DEPARTMENT OF THE INTERIOR				
Direct Program:				
Partners for Fish and Wildlife	15.631	6,400	-	--
TOTAL U.S. DEPARTMENT OF THE INTERIOR		<u>6,400</u>	<u>-</u>	
U.S. DEPARTMENT OF JUSTICE				
Direct Programs:				
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	54,395	-	--
Edward Byrne Memorial Formula Grant Program	16.579	32,542	-	--
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	11,497	-	--
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	184,019	-	--
Public Safety Partnership and Community Policing Grants	16.710	146,155	-	--

See notes to the schedule of expenditures of federal awards

COUNTY OF SAN MATEO
Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number (CFDA)	Federal Expenditures	Amount Provided to Subrecipients	Pass-Through Entity Number
U.S. DEPARTMENT OF JUSTICE (Continued)				
Direct Programs (Continued):				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	\$ 232,036	\$ -	--
Forensic DNA Backlog Reduction Program	16.741	156,438	-	--
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	61,726	-	--
Congressionally Recommended Awards	16.753	200,000	-	--
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program				
Grants to Units of Local Government	16.804	358,731	-	--
ARRA - Combating Criminal Narcotics Activity Stemming from the Southern				
Border of the United States Competitive Grant Program	16.809	110,175	-	--
Second Chance Act Prisoner Reentry Initiative	16.812	<u>429,092</u>	<u>334,676</u>	--
Subtotal of Direct Programs		<u>1,976,806</u>	<u>334,676</u>	
Pass-Through Program, State of California, Corrections Standards Authority:				
Juvenile Accountability Block Grants	16.523	49,108	42,272	CSA 181-09
Pass-Through Program, City and County of San Francisco:				
Public Safety Partnership and Community Policing Grants	16.710	862,107	-	2007CK-WX-0028
Pass-Through Programs, State of California, Emergency Management Agency:				
Crime Victim Assistance	16.575	27,501	-	SE09190410
Crime Victim Assistance	16.575	174,534	-	VW10290410
Crime Victim Assistance	16.575	<u>97,883</u>	-	UV10010410
Subtotal of Crime Victim Assistance		<u>299,918</u>	-	
Edward Byrne Memorial Formula Grant Program	16.579	278,948	-	DC10210410
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	2,012	-	CQ08060410
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	5,783	-	CQ10070410
ARRA - State Victim Assistance Formula Grant Program	16.801	8,181	-	VS09010410
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program				
Grants to Units of Local Government	16.804	585,933	424,980	ZO09010410
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program				
Grants to Units of Local Government	16.804	330,770	-	ZA09010410
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program				
Grants to Units of Local Government	16.804	205,110	-	ZP09010410
Pass-Through Programs, National Police Athletic / Activity League:				
ARRA - Edward Byrne Memorial Competitive Grant Program	16.808	19,124	-	ARRACA128
ARRA - Edward Byrne Memorial Competitive Grant Program	16.808	20,192	-	ARRACA122
ARRA - Edward Byrne Memorial Competitive Grant Program	16.808	19,682	-	ARRACA098
ARRA - Edward Byrne Memorial Competitive Grant Program	16.808	18,841	-	ARRACA097
ARRA - Edward Byrne Memorial Competitive Grant Program	16.808	24,300	-	ARRACA142
ARRA - Edward Byrne Memorial Competitive Grant Program	16.808	<u>24,403</u>	-	ARRACA146
Subtotal of ARRA - Edward Byrne Memorial Competitive Grant Program		<u>126,542</u>	-	
Subtotal of Pass-Through Programs		<u>2,754,412</u>	<u>467,252</u>	
TOTAL U.S. DEPARTMENT OF JUSTICE		<u>4,731,218</u>	<u>801,928</u>	
U.S. DEPARTMENT OF LABOR				
Pass-Through Programs, State of California, Department of Aging:				
Senior Community Service Employment Program	17.235	87,307	87,307	AA-0910-08
Senior Community Service Employment Program	17.235	<u>191,514</u>	<u>191,514</u>	TV-1011-08
Subtotal of Senior Community Service Employment Program		<u>278,821</u>	<u>278,821</u>	
Pass-Through Programs, State of California, Employment Development Department:				
WIA Cluster:				
WIA Adult Program	17.258	422,427	121,521	K074175
WIA Adult Program	17.258	<u>386,649</u>	-	K178694
Subtotal of WIA Adult Program		<u>809,076</u>	<u>121,521</u>	
WIA Youth Activities	17.259	87,447	82,269	K074175
WIA Youth Activities	17.259	936,065	880,552	K178694
ARRA - WIA Youth Activities	17.259	<u>338,036</u>	<u>60,000</u>	R970571
Subtotal of WIA Youth Activities		<u>1,361,548</u>	<u>1,022,821</u>	
WIA Dislocated Workers	17.260	311,271	144,683	K074175
ARRA - WIA Dislocated Workers	17.260	359,254	-	K074175
ARRA - WIA Dislocated Workers	17.260	<u>1,968,212</u>	<u>311,037</u>	R970571
Subtotal of WIA Dislocated Workers		<u>2,638,737</u>	<u>455,720</u>	
WIA Dislocated Workers Formula Grants	17.278	<u>1,839,791</u>	-	K178694
Subtotal of WIA Cluster		<u>6,649,152</u>	<u>1,600,062</u>	
Subtotal of Pass-Through Programs		<u>6,927,973</u>	<u>1,878,883</u>	
TOTAL U.S. DEPARTMENT OF LABOR		<u>6,927,973</u>	<u>1,878,883</u>	

See notes to the schedule of expenditures of federal awards

COUNTY OF SAN MATEO
Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number (CFDA)	Federal Expenditures	Amount Provided to Subrecipients	Pass-Through Entity Number
U.S. DEPARTMENT OF TRANSPORTATION				
Direct Program:				
Airport Improvement Program	20.106	\$ 681,490	\$ -	--
Pass-Through Programs, State of California, Department of Transportation:				
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	72,113	-	BROS 0081(011)
Highway Planning and Construction	20.205	884,356	-	BRLO 5935(051)
Highway Planning and Construction	20.205	33,886	-	BRLO 5935(052)
Highway Planning and Construction	20.205	53,000	-	STP 6084(146)
Highway Planning and Construction	20.205	3,791	-	STPL-5935(058)
Subtotal of Highway Planning and Construction Cluster		<u>1,047,146</u>	<u>-</u>	
TOTAL U.S. DEPARTMENT OF TRANSPORTATION		<u>1,728,636</u>	<u>-</u>	
U.S. ENVIRONMENTAL PROTECTION AGENCY				
Pass-Through Programs, State of California, Department of Public Health:				
ARRA - Water Quality Management Planning	66.454	22,771	-	--
Beach Monitoring and Notification Program Implementation Grants	66.472	25,000	-	--
Pass-Through Program, County of Santa Clara:				
Research, Development, Monitoring, Public Education, Training, Demonstrations, and Studies	66.716	<u>15,645</u>	<u>-</u>	--
Subtotal of Pass-Through Programs		<u>63,416</u>	<u>-</u>	
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY		<u>63,416</u>	<u>-</u>	
U.S. DEPARTMENT OF ENERGY				
Direct Program:				
ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	<u>1,279,241</u>	<u>-</u>	--
Pass-Through Programs, State of California, California Energy Commission:				
ARRA - State Energy Program	81.041	<u>85,027</u>	<u>-</u>	--
TOTAL U.S. DEPARTMENT OF ENERGY		<u>1,364,268</u>	<u>-</u>	
U.S. DEPARTMENT OF EDUCATION				
Pass-Through Program, State of California, Alcohol and Drug Programs:				
Safe and Drug-Free Schools and Communities - State Grants	84.186	<u>193,819</u>	<u>136,810</u>	SFD-07-04
TOTAL U.S. DEPARTMENT OF EDUCATION		<u>193,819</u>	<u>136,810</u>	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Direct Programs:				
Injury Prevention and Control Research and State and Community Based Programs	93.136	98,056	-	--
Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, Public Housing Care, and School Based Health Centers)	93.224	1,473,201	-	--
ARRA - Grants to Health Center Programs	93.703	418,239	-	--
Health Care and Other Facilities	93.887	50,266	-	--
Subtotal of Direct Programs		<u>2,039,762</u>	<u>-</u>	
Pass-Through Programs, State of California, Department of Aging:				
Special Programs for the Aging - Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	7,024	-	AP-1011-08
Special Programs for the Aging - Title VII, Chapter 2 - Long Term Care Ombudsman Services for Older Individuals	93.042	47,493	47,493	AP-1011-08
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	93.043	46,444	46,444	AP-1011-08
Medicare Enrollment Assistance Program	93.071	5,090	4,051	MI-0910-08
Aging Cluster:				
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	878,602	709,894	AP-1011-08
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	1,227,407	1,082,923	AP-1011-08
Nutrition Services Incentive Program	93.053	210,096	210,096	AP-1011-08
Subtotal of Aging Cluster		<u>2,316,105</u>	<u>2,002,913</u>	
National Family Caregiver Support, Title III, Part E	93.052	335,561	301,550	AP-1011-08

See notes to the schedule of expenditures of federal awards

COUNTY OF SAN MATEO
Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number (CFDA)	Federal Expenditures	Amount Provided to Subrecipients	Pass-Through Entity Number
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)				
Pass-Through Programs, State of California, Department of Aging (Continued):				
Medical Assistance Program	93.778	\$ 380,656	\$ -	MS-1011-13
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	105,420	97,658	HI-1011-08
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	8,338	7,721	MI-0910-08
Subtotal of CMS Research, Demonstrations and Evaluations		<u>113,758</u>	<u>105,379</u>	
Pass-Through Programs, State of California, Department of Health Care Services:				
Disabilities Prevention	93.184	106,134	-	000009262-41
Disabilities Prevention	93.184	762,439	-	San Mateo (41)
Subtotal of Disabilities Prevention		<u>868,573</u>	<u>-</u>	
Immunization Cluster:				
Immunization Grants	93.268	298,145	-	10-95401
Children's Health Insurance Program	93.767	254,373	-	--
Medical Assistance Program	93.778	1,667,542	-	--
Medical Assistance Program	93.778	70,685	-	08-85088
ARRA - Medical Assistance Program	93.778	613,097	-	--
Pass-Through Programs, State of California, Department of Public Health:				
Environmental Public Health and Emergency Response	93.070	561,998	-	EPO 09-41/EPO P3-41
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	178,641	-	EPO 09-41
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	739,558	-	EPO 10-41
Subtotal of Centers for Disease Control and Prevention - Investigations and Technical Assistance		<u>918,199</u>	<u>-</u>	
National Bioterrorism Hospital Preparedness Program	93.889	379,069	-	EPO 10-41
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	40,800	-	09-11148
Maternal and Child Health Services Block Grant to the States	93.994	90,424	-	200941
Maternal and Child Health Services Block Grant to the States	93.994	585,972	-	201041
Subtotal of Maternal and Child Health Services Block Grant to the States		<u>676,396</u>	<u>-</u>	
Pass-Through Programs, State of California, Department of Mental Health:				
Projects for Assistance in Transition from Homelessness (PATH)	93.150	146,530	146,530	--
Block Grants for Community Mental Health Services	93.958	848,038	202,774	--
Pass-Through Programs, State of California, Department of Social Services:				
Promoting Safe and Stable Families	93.556	349,647	-	--
TANF Cluster:				
Temporary Assistance for Needy Families	93.558	32,869,752	-	--
ARRA - Temporary Assistance for Needy Families	93.558	626,667	-	--
Subtotal of Temporary Assistance for Needy Families		<u>33,496,419</u>	<u>-</u>	
ARRA - Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program	93.714	3,696,776	-	--
Subtotal of TANF Cluster		<u>37,193,195</u>	<u>-</u>	
Refugee and Entrant Assistance - State Administered Programs	93.566	53,690	-	--
U.S. Repatriation	93.579	1,905	-	--
Child Welfare Services - State Grants	93.645	369,145	-	--
Foster Care - Title IV-E	93.658	13,280,998	-	--
ARRA - Foster Care - Title IV-E	93.658	119,832	-	--
Foster Care - Title IV-E	93.658	1,412,318	-	2024.00.01
ARRA - Foster Care - Title IV-E	93.658	327,375	-	2024.00.01
Subtotal of Foster Care - Title IV-E		<u>15,140,523</u>	<u>-</u>	
Adoption Assistance	93.659	2,666,757	-	--
ARRA - Adoption Assistance	93.659	148,459	-	--
Subtotal of Adoption Assistance		<u>2,815,216</u>	<u>-</u>	
Social Services Block Grant	93.667	916,467	-	--
Chafee Foster Care Independence Program	93.674	171,465	-	--
Medical Assistance Program	93.778	4,420,713	-	--
ARRA - Medical Assistance Program	93.778	442,042	-	--
Pass-Through Programs, State of California, Department of Child Support Services:				
Child Support Enforcement	93.563	7,329,348	-	--
ARRA - Child Support Enforcement	93.563	289,482	-	--
Subtotal of Child Support Enforcement		<u>7,618,830</u>	<u>-</u>	

See notes to the schedule of expenditures of federal awards

COUNTY OF SAN MATEO
Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number (CFDA)	Federal Expenditures	Amount Provided to Subrecipients	Pass-Through Entity Number
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)				
Pass-Through Programs, State of California, Department of Education:				
CCDF Cluster:				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	\$ 441,095	\$ -	CAPP-0061
Pass-Through Programs, State of California, Alcohol and Drug Programs:				
Medical Assistance Program	93.778	248,810	109,580	07B1CASAPT-02
ARRA - Medical Assistance Program	93.778	25,218	9,919	07B1CASAPT-02
Block Grants for Prevention and Treatment of Substance Abuse	93.959	4,601,832	4,346,484	07B1CASAPT-02
Pass-Through Programs, State of California, Secretary of State:				
Voting Access for Individuals with Disabilities - Grants to States	93.617	96,707	-	07G30129
Voting Access for Individuals with Disabilities - Grants to States	93.617	25,669	-	08G26129
Voting Access for Individuals with Disabilities - Grants to States	93.617	154,544	-	09G30358
Subtotal of Voting Access for Individuals with Disabilities - Grants to States		<u>276,920</u>	<u>-</u>	
Pass-Through Programs, City and County of San Francisco:				
HIV Emergency Relief Project Grants	93.914	1,548,135	153,930	DPHC1100050601
HIV Emergency Relief Project Grants	93.914	563,855	60,388	--
Subtotal of HIV Emergency Relief Project Grants		<u>2,111,990</u>	<u>214,318</u>	
HIV Care Formula Grants	93.917	307,870	-	10-95289
HIV Prevention Activities - Health Department Based	93.940	187,220	-	10-95289
Subtotal of Pass-Through Programs		<u>88,289,369</u>	<u>7,537,435</u>	
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:		<u>90,329,131</u>	<u>7,537,435</u>	
OFFICE OF THE EXECUTIVE PRESIDENT				
Direct Program:				
High Intensity Drug Trafficking Areas Program	95.001	3,009,302	-	--
Pass-Through Program, State of California, San Diego County Sheriff's Office:				
High Intensity Drug Trafficking Areas Program	95.001	57,628	-	--
Subtotal of High Intensity Drug Trafficking Area Program		<u>3,066,930</u>	<u>-</u>	
TOTAL OFFICE OF THE EXECUTIVE PRESIDENT:		<u>3,066,930</u>	<u>-</u>	
U.S. DEPARTMENT OF HOMELAND SECURITY				
Pass-Through Programs, City and County of San Francisco:				
Homeland Security Grant Program	97.067	1,455,834	-	2008-0006 UASI
Homeland Security Grant Program	97.067	1,169,352	-	2009-0019 UASI
Homeland Security Grant Program	97.067	112,036	-	2010-0085 UASI
Homeland Security Grant Program	97.067	2,847,443	-	--
Pass-Through Programs, State of California, Emergency Management Agency:				
Emergency Management Performance Grants	97.042	166,861	-	2010-0044
Homeland Security Grant Program	97.067	498,785	-	2008-0006
Homeland Security Grant Program	97.067	1,140,645	-	2009-0019
Homeland Security Grant Program	97.067	613,975	-	2010-0085
Buffer Zone Protection Program (BZPP)	97.078	120,569	-	2008-0008
Subtotal of Pass-Through Programs		<u>8,125,500</u>	<u>-</u>	
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY:		<u>8,125,500</u>	<u>-</u>	
TOTAL EXPENDITURES OF FEDERAL AWARDS:		<u>\$ 156,000,898</u>	<u>\$ 14,690,881</u>	

See notes to the schedule of expenditures of federal awards

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COUNTY OF SAN MATEO
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

1. GENERAL

The schedule of expenditures of federal awards (Schedule) includes federal grant activities of the County of San Mateo (County). All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other governmental agencies are included on this schedule except for assistance related to Medical Assistance (Medi-Cal) and Medicare Hospital Insurance (Medicare) (Note 5) and the Housing Authority of the County of San Mateo (Housing Authority) (Note 6).

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

2. BASIS OF ACCOUNTING

The accompanying Schedule is presented using the modified accrual basis of accounting for program expenditures accounted for in the governmental funds and the accrual basis of accounting for program expenditures accounted for in the proprietary funds as described in Note 2(b) of the County's basic financial statements. In addition, the outstanding balance of prior years' loans that have significant continuing compliance requirements has been included in total federal expenditures for the Home Investment Partnerships Program (CFDA number 14.239) (Note 7).

3. RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying Schedule agree or can be reconciled with amounts reported in the related federal financial assistance reports.

4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

5. MEDI-CAL AND MEDICARE

Direct Medi-Cal and Medicare expenditures are excluded from the Schedule. These expenditures represent fees for services and are not included in the Schedule or in determining major programs. The County assists the State of California in determining eligibility and provides Medi-Cal and Medicare services through County-owned facilities. However, administrative costs related to Medi-Cal and Medicare is included in the Schedule under the Medical Assistance Program (Federal CFDA number 93.778).

COUNTY OF SAN MATEO
Notes to the Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2011

6. HOUSING AUTHORITY OF THE COUNTY OF SAN MATEO

Housing Authority federal expenditures are excluded from the Schedule and are separately audited by other auditors. Federal expenditures for the Housing Authority programs are taken from the separately issued single audit report for the year ended June 30, 2011. The federal programs of the Housing Authority are as follows:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
Moving To Work Demonstration Program	14.881	\$ 61,313,667
ARRA Capital Fund	14.885	237,820
Section 8 Programs:		
Moderate Rehabilitation	14.856	1,322,973
Housing Choice Vouchers	14.871	1,003,701
Shelter Plus Care	14.238	2,259,368
Supportive Housing	14.235	640,659
Total		<u>\$ 66,778,188</u>

7. LOANS OUTSTANDING

The County participates in certain federal award programs that sponsor revolving loan programs, which are administered by the County. These programs maintain servicing and trust arrangements with the County to collect loan repayments. The funds are returned to the programs upon repayment of the principal and interest. The federal government has imposed certain significant continuing compliance requirements with respect to the loans rendered under the Home Investment Partnerships (HOME) Program (CFDA number 14.239). In accordance with Subpart B, Section 205 of the U.S. Office of Management and Budget Circular A-133, the County has reported the outstanding balance of loans from previous years that have significant continuing compliance requirements as of June 30, 2011 along with the value of total outstanding and new loans made during the current year.

During the year ended June 30, 2011, the County incurred \$928,602 in expenditures related to new loans under the HOME program. As of June 30, 2011, the total amount of HOME loans outstanding subject to continuing compliance requirements was \$22,239,231, which is included in the Schedule.

COUNTY OF SAN MATEO
Notes to the Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2011

8. CALIFORNIA DEPARTMENT OF AGING (CDA) SINGLE AUDIT REPORTING REQUIREMENTS

The terms and conditions of agency contracts with CDA require agencies to display state-funded expenditures discretely along with the related federal expenditures. For state grants not involving federal funding, the amounts are to be displayed separately. The following schedule is presented to comply with these requirements.

Federal Grantor Pass-through Grantor Program Title	CFDA No.	Grant/ Contract Number	Expenditures	
			State	Federal
U.S. Department of Labor				
<i>Passed through CA Department of Aging</i>				
Senior Community Service Employment Program	17.235	AA-0910-08	\$ -	\$ 87,307
Senior Community Service Employment Program	17.235	TV-1011-08	-	191,514
U.S. Department of Health & Human Services				
<i>Passed through CA Department of Aging</i>				
Special Programs for Aging-Title VII, Chapter 3 Programs for Prevention of Elder Abuse, Neglect, & Exploitation	93.041	AP-1011-08	-	7,024
Special Programs for Aging-Title VII, Chapter 2 Long Term Care Ombudsman Services for Older Individuals	93.042	AP-1011-08	-	47,493
Special Programs for Aging-Title III, Part D Disease Prevention and Health Promotion Services	93.043	AP-1011-08	-	46,444
Special Programs for Aging-Title III, Part B Grants for Supportive Services and Senior Centers	93.044	AP-1011-08	-	878,602
Special Programs for Aging-Title III, Part C Nutrition Services	93.045	AP-1011-08	134,478	1,227,407
National Family Caregiver Support, Title III, Part E	93.052	AP-1011-08	-	335,561
Nutrition Services Incentive Program	93.053	AP-1011-08	-	210,096
Medical Enrollment Assistance Program	93.071	MI-0910-08	-	5,090
Medical Assistance Program (Medicaid; Title XIX)	93.778	MS-1011-13	380,656	380,656
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	MI-0910-08	-	8,338
	93.779	HI-1011-08	181,338	105,420
Total Expenditures of CDA and Federal Awards			696,472	\$ 3,530,952
State Awards-California Department of Aging:				
Ombudsman Volunteer Recruitment Initiative		AP-1011-08	72,815	
Total Expenditures of CDA Awards			\$ 769,287	

COUNTY OF SAN MATEO
Notes to the Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2011

9. PROGRAM TOTALS

The following table summarizes programs funded by various sources whose totals are not shown on the Schedule. Expenditures funded by the American Recovery and Reinvestment Act of 2009 are denoted by the prefix "ARRA-" in the federal or pass-through grantor title.

CFDA no. / Program Title / Federal Grantor or Pass-Through Grantor	Pass Through Identifying Number	Federal Expenditures
(1) CFDA no. 16.579 - Edward Byrne Memorial Formula Grant Program		
U.S. Department of Justice	--	\$ 32,542
State of California, Emergency Management Agency	DC10210410	278,948
	Program Total	<u>\$ 311,490</u>
(2) CFDA no. 16.710 - Public Safety Partnership and Community Policing Grants		
U.S. Department of Justice	--	\$ 146,155
City and County of San Francisco	2007CK-WX-0028	862,107
	Program Total	<u>\$ 1,008,262</u>
(3) CFDA no. 16.742 - Paul Coverdell Forensic Sciences Improvement Grant Program		
U.S. Department of Justice	--	\$ 61,726
State of California, Emergency Management Agency	CQ08060410	2,012
State of California, Emergency Management Agency	CQ10070410	5,783
	Program Total	<u>\$ 69,521</u>
(4) Justice Assistance Grant (JAG) Program Cluster		
CFDA no. 16.738 - Edward Byrne Memorial Justice Assistance Grant Program		
U.S. Department of Justice	--	\$ 232,036
CFDA no. 16.804 - ARRA - Edward Byrne Memorial JAG Program Grants to Units of Local Government		
ARRA - U.S. Department of Justice	--	358,731
ARRA - State of California, Emergency Management Agency	ZO09010410	585,933
ARRA - State of California, Emergency Management Agency	ZA09010410	330,770
ARRA - State of California, Emergency Management Agency	ZP09010410	205,110
	Program Total	<u>1,480,544</u>
	Cluster Total	<u>\$ 1,712,580</u>
(5) CFDA no. 93.778 - Medical Assistance Program		
State of California, Department of Aging	MS-1011-13	\$ 380,656
State of California, Department of Health Care Services	--	1,667,542
State of California, Department of Health Care Services	08-85088	70,685
ARRA - State of California, Department of Health Care Services	--	613,097
State of California, Department of Social Services	--	4,420,713
ARRA - State of California, Department of Social Services	--	442,042
State of California, Alcohol and Drug Programs	07B1CASAPT-02	248,810
ARRA - State of California, Alcohol and Drug Programs	07B1CASAPT-02	25,218
	Program Total	<u>\$ 7,868,763</u>
(6) CFDA no. 97.067 - Homeland Security Grant Program		
City and County of San Francisco	2008-0006 UASI	\$ 1,455,834
City and County of San Francisco	2009-0019 UASI	1,169,352
City and County of San Francisco	2010-0085 UASI	112,036
City and County of San Francisco	--	2,847,443
State of California, Emergency Management Agency	2008-0006	498,785
State of California, Emergency Management Agency	2009-0019	1,140,645
State of California, Emergency Management Agency	2010-0085	613,975
	Program Total	<u>\$ 7,838,070</u>

COUNTY OF SAN MATEO
Notes to the Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2011

**10. SCHEDULES OF STATE OF CALIFORNIA EMERGENCY MANAGEMENT AGENCY
(CalEMA) GRANT EXPENDITURES**

The following schedule represents expenditures for U.S. Department of Justice grants passed through the State of California Emergency Management Agency (CalEMA) as well as CalEMA funded grant expenditures for the year ended June 30, 2011. This information is included in the County's single audit report at the requests of CalEMA.

Program Title and Expenditure Category	Grant Number Grant Period	Budget	Cumulative through June 30, 2010	Actual 7/1/10-6/30/11		Cumulative through June 30, 2011	Variance
				Non-match *	Match		
2008 Coverdell Training Program							
Personnel Services	CQ 08060410	\$ 12,169	\$ 12,169	\$ -	\$ -	\$ 12,169	\$ -
Operating Expenses	10/1/08-8/31/10	53,462	51,450	2,012	-	53,462	-
Equipment	CFDA no. 16.742	-	-	-	-	-	-
Total		<u>\$ 65,631</u>	<u>\$ 63,619</u>	<u>\$ 2,012</u>	<u>\$ -</u>	<u>\$ 65,631</u>	<u>\$ -</u>
2009 Coverdell Training Program							
Personnel Services	CQ 10070410	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Expenses	10/1/10-8/31/11	21,014	-	5,783	-	5,783	15,231
Equipment	CFDA no. 16.742	11,065	-	-	-	-	11,065
Total		<u>\$ 32,079</u>	<u>\$ -</u>	<u>\$ 5,783</u>	<u>\$ -</u>	<u>\$ 5,783</u>	<u>\$ 26,296</u>
Special Emphasis Victim Witness Program							
Personnel Services	SE09190410	\$ 171,876	\$ 137,500	\$ 27,501	\$ 6,876	\$ 171,877	\$ (1)
Operating Expenses	7/1/09-9/30/10	-	-	-	-	-	-
Equipment	CFDA no. 16.575	-	-	-	-	-	-
Total		<u>\$ 171,876</u>	<u>\$ 137,500</u>	<u>\$ 27,501</u>	<u>\$ 6,876</u>	<u>\$ 171,877</u>	<u>\$ (1)</u>
Victim Witness Assistance Program							
Personnel Services	VW10290410	\$ 174,534	\$ -	\$ 174,534	\$ -	\$ 174,534	\$ -
Operating Expenses	7/1/10-6/30/11	-	-	-	-	-	-
Equipment	CFDA no. 16.575	-	-	-	-	-	-
Total		<u>\$ 174,534</u>	<u>\$ -</u>	<u>\$ 174,534</u>	<u>\$ -</u>	<u>\$ 174,534</u>	<u>\$ -</u>
Underserved Victim Advocacy and Outreach Program							
Personnel Services	UV10010410	\$ 156,250	\$ -	\$ 97,883	\$ 24,471	\$ 122,354	\$ 33,896
Operating Expenses	10/1/10-9/30/11	-	-	-	-	-	-
Equipment	CFDA no. 16.575	-	-	-	-	-	-
Total		<u>\$ 156,250</u>	<u>\$ -</u>	<u>\$ 97,883</u>	<u>\$ 24,471</u>	<u>\$ 122,354</u>	<u>\$ 33,896</u>
VOCA Stimulus Victim Witness Assistance							
Personnel Services	VS09010410	\$ 27,380	\$ 17,320	\$ 8,045	\$ 2,011	\$ 27,376	\$ 4
Operating Expenses	7/1/09-9/30/10	6,669	6,400	136	115	6,651	18
Equipment	CFDA no. 16.801	-	-	-	-	-	-
Total		<u>\$ 34,049</u>	<u>\$ 23,720</u>	<u>\$ 8,181</u>	<u>\$ 2,126</u>	<u>\$ 34,027</u>	<u>\$ 22</u>

* Actual non-match expenditures are reported as federal expenditures in the Schedule under the designated CFDA numbers.

COUNTY OF SAN MATEO
Notes to the Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2011

**10. SCHEDULES OF STATE OF CALIFORNIA EMERGENCY MANAGEMENT AGENCY
(CalEMA) GRANT EXPENDITURES (Continued)**

Program Title and Expenditure Category	Grant Number Grant Period	Budget	Cumulative through June 30, 2010	Actual 7/1/10-6/30/11		Cumulative through June 30, 2011	Variance
				Non-match *	Match		
Offender Treatment Recovery Act Program							
Personnel Services	ZO09010410	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Expenses	10/01/09-03/31/11	862,872	276,439	585,933	-	862,372	500
Equipment	CFDA no. 16.804	-	-	-	-	-	-
Total		<u>\$ 862,872</u>	<u>\$ 276,439</u>	<u>\$ 585,933</u>	<u>\$ -</u>	<u>\$ 862,372</u>	<u>\$ 500</u>
Evidence Based Probation Supervision							
Recovery Act Program							
Personnel Services	ZP09010410	\$ 561,000	\$ -	\$ 170,426	\$ -	\$ 170,426	\$ 390,574
Operating Expenses	1/1/10-9/30/12	107,221	-	34,684	-	34,684	72,537
Equipment	CFDA no. 16.804	-	-	-	-	-	-
Total		<u>\$ 668,221</u>	<u>\$ -</u>	<u>\$ 205,110</u>	<u>\$ -</u>	<u>\$ 205,110</u>	<u>\$ 463,111</u>
San Mateo County Narcotics Task Force							
Personnel Services	ZA09010410	\$ 226,685	\$ -	\$ 179,922	\$ -	\$ 179,922	\$ 46,763
Operating Expenses	3/1/10-2/28/12	231,184	56,688	116,766	-	173,454	57,730
Equipment	CFDA no. 16.804	35,000	-	34,082	-	34,082	918
Total		<u>\$ 492,869</u>	<u>\$ 56,688</u>	<u>\$ 330,770</u>	<u>\$ -</u>	<u>\$ 387,458</u>	<u>\$ 105,411</u>
San Mateo County Narcotics Task Force							
Personnel Services	DC10210410	\$ 154,412	\$ -	\$ 154,723	\$ -	\$ 154,723	\$ (311)
Operating Expenses	7/1/10-6/30/11	124,536	-	124,225	-	124,225	311
Equipment	CFDA no. 16.579	-	-	-	-	-	-
Total		<u>\$ 278,948</u>	<u>\$ -</u>	<u>\$ 278,948</u>	<u>\$ -</u>	<u>\$ 278,948</u>	<u>\$ -</u>

* Actual non-match expenditures are reported as federal expenditures in the Schedule under the designated CFDA numbers.

COUNTY OF SAN MATEO
Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Section I – Summary of Auditor’s Results

Financial Statements:

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

Federal Awards:

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

Identification of major programs:

<u>Program Title</u>	<u>CFDA Number</u>
Special Supplemental Nutrition Program.....	10.557
CDBG Cluster	14.218 and 14.253
Home Investment Partnerships Program.....	14.239
Homelessness Prevention and Rapid Re-Housing Program	14.257
Edward Byrne Memorial Justice Assistance Grant.....	16.738 and 16.804
Workforce Investment Act Cluster	17.258, 17.259, 17.260, and 17.278
Energy Efficiency and Conservation Block Grant Program	81.128
Temporary Assistance for Needy Families Cluster.....	93.558 and 93.714
Child Support Enforcement	93.563
Foster Care Title IV-E.....	93.658
Medical Assistance Program.....	93.778
Homeland Security Grant Program.....	97.067

Dollar threshold used to distinguish between Type A and Type B programs:	\$3,000,000
Auditee qualified as low-risk auditee?	No

COUNTY OF SAN MATEO
Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2011

Section II – Financial Statement Finding

None reported.

Section III – Federal Award Finding and Questioned Cost

Finding 2011-01 Reporting

U.S. Department of Energy

Direct Program

ARRA – Energy Efficient and Conservation Block Grant Program (EECBG),
CFDA number 81.128

Federal award number and year: DOE-EE0000904; 2009

Administered by the Department of Public Works of the County of San Mateo

Criteria

The County receives federal awards under the American Recovery and Reinvestment Act (ARRA). Thus, the County is required to submit SF-425 Reports and ARRA Performance Reports on a quarterly basis.

The A-102 Common Rule (2 CFR part 215) require that non-Federal entities receiving federal awards establish and maintain internal control designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements. The County is required to ensure all reports submitted should include all required information, be mathematically accurate, supported by underlying data, and summarized in accordance with the required or stated criteria and methodology.

Condition

During our review of the County's internal controls over compliance with reporting requirements, we noted a lack of secondary review on the accuracy and completeness of the ARRA performance and SF-425 reports before final submission. However, our procedures did not identify any errors in the sampled reports selected for review.

Cause of Condition

The County did not establish any review procedures before submitting the final reports.

Effect

The lack of secondary review creates a risk that reporting errors may not be prevented or detected and corrected on a timely basis.

Questioned Cost

Not Applicable – our procedures did not identify any errors in the reports selected for review.

Recommendation

We recommend the County evaluate its current policies and procedures over the reporting process, and designate knowledgeable individuals to review prepared reports before they are submitted to the granting agencies to reduce the risk of incorrect reports.

Management's Response and Corrective Action Plan:

Going forward, the Deputy Director of Facilities will do secondary/supervisory review of the quarterly reports, prepared by Energy Program Manager before they are submitted to granting agencies.

COUNTY OF SAN MATEO
Schedule of Prior Year Findings and Questioned Costs
Year Ended June 30, 2011

Reference Number:	2010-01
Federal Catalog Number/ Program Name:	20.106 - Airport Improvement Program 20.205 and 20.219 - Highway Planning and Construction Cluster
Audit Finding:	<p>The County Department of Public Works did not collect the required certified payrolls before disbursing federal awards to the contractors for 19 of the 40 selected samples for the Airport Improvement Program and 9 of the 12 selected samples for the Highway Planning and Construction Cluster.</p> <p>We recommended the County Department of Public Works evaluate its procedures and controls over the monitoring of certified payroll submission to ensure certified payrolls have been submitted by the contractor and to determine whether prevailing wage rates are paid before releasing payment to the contractor. Procedures should indicate follow up actions to be taken when the contractor does not comply with contract provisions.</p>
Status of Corrective Action:	Corrected.

Reference Number:	2010-02
Federal Catalog Number/ Program Name:	14.218 & 14.253 - CDBG – Entitlement Grants Cluster 14.239 - Home Investment Partnerships Program 14.257 - ARRA – Homeless Prevention Rapid Re-housing Program
Audit Finding:	<p>Management from the Department of Housing met at the beginning of the fiscal year to discuss and determine the indirect cost allocation rates for the various programs administered by the department. The Department of Housing was unable to provide documentary evidence to support the methodology used to determine the allocation rates.</p> <p>We recommended the Department of Housing develop, document, and implement a formal cost allocation methodology to support indirect costs allocated to federal programs</p>
Status of Corrective Action:	Corrected.

COUNTY OF SAN MATEO
Schedule of Prior Year Findings and Questioned Costs (Continued)
Year Ended June 30, 2011

Reference Number:	2010-03
Federal Catalog Number/ Program Name:	14.239 - Home Investment Partnerships Program
Audit Finding:	<p>During our review of 9 inspection reports selected from 35 projects that were subject to housing quality inspections in FY2010, we noted the following exceptions:</p> <ul style="list-style-type: none"> • 3 cases in which inspector comments were not addressed or followed up to ensure proper repair. • 9 cases in which inspector reports did not have supervisory review and approval. • 2 cases in which inspector reports were not signed by the preparer. <p>We recommended the Department of Housing emphasize and communicate to all staff the policies and procedures that were established to ensure all required forms are completed and reviewed by the necessary personnel and that any necessary repairs are monitored and revisited in a timely manner.</p>
Status of Corrective Action:	Corrected.

Reference Number:	2010-04
Federal Catalog Number/ Program Name:	20.205 - Highway Planning and Construction (HPC) Cluster 93.044, 93.045, 93.053, 93.705 and 93.707 – Aging Cluster
Audit Finding:	<p>During our review of internal control over compliance with the reporting requirements for the programs listed above, we observed a lack of secondary review on the following reports:</p> <ul style="list-style-type: none"> • HPC Cluster – monthly ARRA performance reports; and • Aging Cluster – monthly ARRA performance reports, monthly Financial Expenditures Reports, monthly Request for Funds reports, annual Client Summary Profile Data performance report, and monthly Service Summary performance reports. <p>However, our procedures did not identify any errors in the samples of reports selected for review.</p> <p>We recommended the County evaluate its policies and procedures over the reporting process, and designate knowledgeable individuals to review prepared reports before they are submitted to the granting agencies.</p>
Status of Corrective Action:	Corrected.