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**COUNTY OF SUTTER**  
**SINGLE AUDIT REPORT**  
**JUNE 30, 2002**



**COUNTY OF SUTTER**

Single Audit Report  
For the Year Ended June 30, 2002

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# Bartig, Basler & Ray

A Professional Corporation

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Certified Public Accountants and Management Consultants

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Frank V. Trythall  
Kenneth E. Pope  
Brad W. Constantine  
Theril H. Lund  
Bruce W. Stephenson

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Curtis A. Orgill

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

Board of Directors and Grand Jury  
County of Sutter  
Yuba City, California

We have audited the financial statements of County of Sutter as of and for the year ended June 30, 2002, and have issued our report thereon dated November 22, 2002. 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.

### Compliance

As part of obtaining reasonable assurance about whether County of Sutter's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered County of Sutter's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to the management of County of Sutter in a separate report dated November 22, 2002.

Board of Directors and Grand Jury  
County of Sutter

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties.

BARTIG, BASLER & RAY, CPAs, INC.

*Bartig, Basler & Ray, CPAs, Inc.*

November 22, 2002  
Roseville, California

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

Board of Directors and Grand Jury  
County of Sutter  
Yuba City, California

### Compliance

We have audited the compliance of County of Sutter 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, 2002. County of Sutter'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 of Sutter's management. Our responsibility is to express an opinion on County of Sutter'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 County of Sutter's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on County of Sutter's compliance with those requirements.

In our opinion, County of Sutter 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, 2002.

Board of Directors and Grand Jury  
County of Sutter

Internal Control Over Compliance

The management of County of Sutter is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered County of Sutter'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 and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the general purpose financial statements of the County of Sutter as of and for the year ended June 30, 2002, and have issued our report thereon dated November 22, 2002. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the County taken as a whole. 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 general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties.

BARTIG, BASLER & RAY, CPAs, INC.

*Bartig, Basler & Ray, CPAs, Inc.*

November 22, 2002  
Roseville, California

## COUNTY OF SUTTER

### Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2002

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Agriculture</u>			
Passed through State Department of Social Services			
Food Stamps	10.551*	--	\$ 3,662,818
State Administrative Matching Grants for Food Stamp Program	10.561*	--	445,624
Passed through State Department of Health Services			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557		<u>411,124</u>
Total U.S. Department of Agriculture			<u>\$ 4,519,566</u>
<u>U.S. Department of Housing and Urban Development</u>			
Passed through State Department of Housing and Community Development			
Community Development Block Grant/State's Program	14.229	Program Income	34,361
Community Development Block Grant/State's Program	14.228	EDBG0542	756
Community Development Block Grant/State's Program	14.228	EDBG0615	2,167
Community Development Block Grant/State's Program	14.228	EDBG0828	15,163
Community Development Block Grant/State's Program	14.228	EDBG0767	26,112
Community Development Block Grant/State's Program	14.228	EDBG0248	6,229
Community Development Block Grant/State's Program	14.228	EDBG0389	12,200
Community Development Block Grant/State's Program	14.228	EDBG0468	<u>12,666</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 109,654</u>
<u>U.S. Department of Justice</u>			
Direct Program			
Proposition 36	16.000	--	63,879
Schiff Cardenas Crime Prevention Act 2000	16.000	--	249,376
Passed through State Office of Criminal Justice Planning			
Juvenile Services Coordination Project	16.523*	IP00010510	29,233
Anti Drug Abuse Program	16.579*	DC01140510	190,489
Victim Witness Assistance Program	16.579*	VW00140510	<u>59,760</u>
Total U.S. Department of Justice			<u>\$ 592,737</u>
<u>U.S. Department of Transportation</u>			
Passed through State Department of Transportation			
Highway Planning and Construction	20.205*	BRLO-5918(017)	\$ 211,277
Highway Planning and Construction	20.205*	BRLO-5918(020)	429,694
Highway Planning and Construction	20.205*	BRLSZD-5918(037)	106,344

\* Major Program

## COUNTY OF SUTTER

### Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2002

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Transportation (continued)</u>			
Passed through State Department of Transportation (continued)			
Highway Planning and Construction	20.205*	STPL-5918(033)	\$ 41,700
Highway Planning and Construction	20.205*	STPLHG-5918(039)	86,512
Highway Planning and Construction	20.205*	STPLV-5918(022)	2,982,507
Highway Planning and Construction	20.205*	STPLX-5918(024)	525,685
Highway Planning and Construction	20.205*	STPLX-5918(044)	412,948
Subtotal			<u>4,796,667</u>
Comprehensive Traffic Safety Program	20.600	OP 9910	<u>112,425</u>
Total U.S. Department of Transportation			<u>\$ 4,909,092</u>
Passed through the State Department of Emergency Services			
Disaster Assistance	83.544	DR1155	148,142
Disaster Assistance	83.544	DR1203	<u>222,935</u>
Total Federal Emergency Management Agency			<u>\$ 371,077</u>
<u>U.S. Department of Education</u>			
Passed through State Department of Alcohol and Drug Abuse Programs			
Drug-Free Schools and Communities -- State Grants	84.186	--	<u>37,591</u>
Total U.S. Department of Education			<u>\$ 37,591</u>
<u>U.S. Department of Health and Human Services</u>			
Passed through State Department of Social Services			
Family Preservation and Support Services	93.556	--	99,981
Temporary Assistance for Needy Families	93.558*	--	6,200,950
Child Support Enforcement	93.563	--	2,954,991
Post Adoptive Incentives	93.603	--	25,806
Child Welfare Services -- State Grants	93.645	--	68,214
Foster Care -- Title IV-E	93.658*	--	2,327,191
Adoption Assistance Program	93.659*	--	527,755
Independent Living	93.674	--	68,724
Subtotal			<u>12,273,612</u>
Passed through State Department of Health Services			
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	--	48,602
California Children's Services	93.767	--	38,636
Maternal and Child Health Services	93.994	--	10,588
Medical Assistance Program/MAA/TCM	93.778	--	298,953
Children's Health and Disability Prevention	93.994	--	41,882
Subtotal			<u>438,661</u>

\* Major Program

**COUNTY OF SUTTER**

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2002

<u>Federal Grantor/Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
Passed through the State Department of Mental Health			
Projects for Assistance in Transition from Homelessness (PATH)	93.150	--	\$ 18,206
Substance Abuse and Mental Health Services Administration			
(SAMHSA)	93.958	--	<u>329,714</u>
Subtotal			<u>347,920</u>
Passed through State Department of Alcohol and Drug Abuse			
Programs			
Block Grants for Prevention and Treatment of Substance			
Abuse (SAPT)	93.959	--	<u>829,808</u>
 Total U.S. Department of Health and Human Services			 <u>\$ 13,890,001</u>
 Total Federal Financial Assistance			 <u>\$ 24,429,718</u>

## COUNTY OF SUTTER

### Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2002

#### 1. General

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

#### 2. Basis of Accounting

The Schedule of Expenditures of Federal Awards is prepared on a basis other than that used to record transactions in the accounting records and as reported in the general purpose financial statements. Sources of information for preparation of the Schedule of Expenditures of Federal Awards varies, depending on the accounting practices and reporting requirements of the department implementing the program.

#### 3. Physical Count of Food Stamps

A physical count of the food stamp inventory was conducted. The count was reconciled to the inventory stated on the FNS-250.

#### 4. Office of Criminal Justice Planning Disclosures for Federal Grants

The following represents expenditures for the Juvenile Services Coordination Project grant for the year ended June 30, 2002, for CFDA No. 16.523.

##### A. Grant No.: IP00010510

	<u>Federal 90% Budget</u>	<u>Federal Actual</u>	<u>Federal Variance</u>	<u>Federal Match 10% Budget</u>	<u>Federal Match Actual</u>	<u>Federal Match Variance</u>
Personal services	\$ 29,233	\$ 29,233	\$ --	\$ 3,248	\$ 3,248	\$ --
Operating expenses	--	--	--	--	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 29,015</u>	<u>\$ 29,233</u>	<u>\$ --</u>	<u>\$ 3,248</u>	<u>\$ 3,248</u>	<u>\$ --</u>

**COUNTY OF SUTTER**

Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2002

**4. Office of Criminal Justice Planning Disclosures for Federal Grants (continued)**

The following represents expenditures for the Anti-Drug Abuse Program for the year ended June 30, 2002:

B. Grant No.: DC01140510

<u>Category</u>	<u>Budget</u>	<u>Actual</u>	<u>Balance</u>
Personal Services	\$ 190,489	\$ 190,489	\$ --
Operating Expenses	--	--	--
Equipment	<u>--</u>	<u>--</u>	<u>--</u>
 Totals	 <u>\$ 190,489</u>	 <u>\$ 190,489</u>	 <u>\$ --</u>

The following represents expenditures for the Victim Witness Assistance Program for the year ended June 30, 2002:

C. Grant No.: VW00140510

	<u>Federal Budget</u>	<u>Federal Actual</u>	<u>Federal Variance</u>	<u>State Budget</u>	<u>State Actual</u>	<u>State Variance</u>
Personal services	\$ 50,541	\$ 50,541	\$ --	\$ 176,039	\$ 176,039	\$ --
Operating expenses	9,219	9,219	--	25,736	25,736	--
Equipment	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
 Totals	 <u>\$ 59,760</u>	 <u>\$ 59,760</u>	 <u>\$ --</u>	 <u>\$ 201,775</u>	 201,775	 <u>\$ --</u>

Less: Reported in Prior Period

(132,213)

Reported in Current Period

\$ 69,562

**COUNTY OF SUTTER**

Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2002

**5. Office of Criminal Justice Planning Disclosures for State Grants**

The following represents expenditures for the Statutory Rape Vertical Prosecution program for the year ended June 30, 2002.

A. Grant No.: SR01040510

<u>Category</u>	<u>Budget</u>	<u>Actual</u>	<u>Balance</u>
Personal Services	\$ 144,060	\$ 144,060	\$ --
Operating Expenses	2,511	2,511	--
Equipment	<u>--</u>	<u>--</u>	<u>--</u>
Totals	<u>\$ 146,571</u>	<u>\$ 146,571</u>	<u>\$ --</u>

**6. Department of Justice Disclosures for State Grants**

The following represents expenditures for the Spousal Abuser Prosecution Program for the year ended June 30, 2002:

A. Grant No.: 01SA08D046

	<u>State 80% Budget</u>	<u>State Actual</u>	<u>State Balance</u>	<u>Cash Match 20% Budget</u>	<u>Cash Match Actual</u>	<u>Cash Match Variance</u>
Personal services	\$ 42,000	\$ 42,000	\$ --	\$ 8,400	\$ 8,400	\$ --
Operating expenses	--	--	--	--	--	--
Equipment	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Totals	<u>\$ 42,000</u>	<u>\$ 42,000</u>	<u>\$ --</u>	<u>\$ 8,400</u>	<u>\$ 8,400</u>	<u>\$ --</u>

# COUNTY OF SUTTER

## Schedule of Findings and Questioned Costs For the Year Ended June 30, 2002

### Section 1

#### Financial Statements

#### Summary of Auditor's Results

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

#### Federal Awards

- |   |               |
|---|---------------|
| 1. Internal control over major programs:  |               |
| a. Material weaknesses identified?  | No            |
| b. Reportable conditions identified not considered to be material weaknesses?   | None Reported |
| 2. Type of auditor's report issued on compliance for major programs:  | Unqualified   |
| 3. Any audit findings disclosed that are required to be reported in accordance with Circular OMB A-133, Section 510(a)? | No            |

4. Identification of major programs:

#### CFDA Number

10.551

10.561

16.523

16.579

16.579

20.205

93.558

93.658

93.659

#### Name of Federal Program

Food Stamps

Food Stamps Administration

OCJP Cluster:

    Juvenile Services Coordination

    Anti-Drug Abuse

    Victim Witness Assistance

Highway Planning and Construction

Temporary Assistance for Needy

Families

Foster Care – Title IV-E

Adoption Assistance

**COUNTY OF SUTTER**

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2002

**Section 1**

Federal Awards

Summary of Auditor's Results

- |   |            |
|---|------------|
| 5. Dollar Threshold used to distinguish between Type A and Type B programs?       | \$ 732,892 |
| 6. Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 530? | Yes        |

**Section 2**

Financial Statement Findings

None Reported

**Section 3**

Federal Award Findings and Questioned Costs

None Reported

**COUNTY OF SUTTER**

**Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2002**

Audit Reference Number	Status of Prior Year Audit Findings
N/A	None reported.