

**COUNTY OF MADERA  
SINGLE AUDIT REPORT  
JUNE 30, 2015**

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**COUNTY OF MADERA**

Single Audit Report  
For the Year Ended June 30, 2015

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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 Madera  
Madera, California

We have audited 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, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Madera (County), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 29, 2016. Our report includes a reference to other auditors who audited the financial statements of the Community Action Partnership of Madera County and the Madera County Workforce Investment Corporation, discretely presented component units, 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**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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. We consider the deficiency 2015-001 described in the accompanying schedule of findings and questioned costs to be a material weakness.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free from 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.


Board of Supervisors  
County of Madera  
Madera, California

### **County's Response to Findings**

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Gallina LLP".

Roseville, California  
March 29, 2016



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133**

Board of Supervisors  
County of Madera  
Madera, California

***Report on Compliance for Each Major Federal Program***

We have audited the County of Madera'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, 2015. 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.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

***Opinion on Each of the Other Major Federal Program***

In our opinion, the County complied, in all material respects, with the types of 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, 2015.

***Report on Internal Control Over Compliance***

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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. 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.

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 material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weakness may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Board of Supervisors  
County of Madera  
Madera, California

***Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended June 30, 2015, and have issued our report thereon dated March 29, 2016, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements 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 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 additional 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 expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "Gallina" followed by a stylized flourish.

Roseville, California  
March 29, 2016

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**COUNTY OF MADERA**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2015**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<b><u>U.S. Department of Agriculture</u></b>			
Passed through California Department of Food and Agriculture			
Pierce's Disease Control Program	10.025	14-0178-SF	\$ 57,343
Pierce's Disease Control Program	10.025	14-0185-SF	64,456
Sudden Oak Death	10.025	10233-C-2014	8,028
Subtotal CFDA 10.025			<u>129,827</u>
Passed through State Department of Education:			
School Breakfast Program	10.553	--	29,483
National School Lunch Program	10.555	--	53,877
Subtotal Child Nutrition Cluster			<u>83,360</u>
Passed through State Department of Public Health:			
Supplemental Nutrition Assistance Program	10.551	13-20508	363,577
WIC - Women, Infants and Children	10.557	11-10470	1,757,102
Subtotal			<u>2,120,680</u>
Passed through State Department of Social Services:			
State Administrative Matching Grants for Food Stamp Program	10.561	--	2,016,703
Passed through California Department of Food and Agriculture			
Light Brown Apple Moth (LBAM)	10.604	13-0427-SF	1,675
Direct Programs:			
Rural Utilities Service	10.760	USDA RD Loan	2,886,000
Rural Utilities Service	10.760	RUS 1780-12	1,927,030
Subtotal CFDA 10.760			<u>4,813,030</u>
Total U.S. Department of Agriculture			<u>\$ 9,165,274</u>
<b><u>U.S. Dept. of Housing and Urban Development</u></b>			
Passed through State Dept. of Housing and Community Development:			
CDBG/State's program and Non-Entitlement Grants in Hawaii	14.228	Outstanding Loans	3,751,600
CDBG/State's program and Non-Entitlement Grants in Hawaii	14.228	New Loans	213,038
CDBG/State's program and Non-Entitlement Grants in Hawaii	14.228	B-11-UN-06-0008	514,363
Subtotal CFDA 14.228			<u>4,479,001</u>
HOME Investment Partnerships Program	14.239	Outstanding Loans	1,641,106
Passed through State Department of Public Health:			
Housing Opportunities for Persons with AIDS	14.241	13-20422	56,810
Total U.S. Dept. of Housing and Urban Development			<u>\$ 6,176,917</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

**COUNTY OF MADERA**  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<b><u>U.S. Department of Justice</u></b>			
Passed through Drug Enforcement Administration			
Domestic Cannabis Eradication	16.579	2014-27	\$ 40,354
Passed through California Emergency Management Agency:			
State Criminal Alien Assistance Program	16.606	2014APBX0764	<u>67,941</u>
Passed through City of Madera:			
Edward Byrne Memorial JAG	16.738	2014-DJ-BX-0605	17,330
Direct Program:			
Edward Byrne Memorial JAG	16.738	BSCC 601-13	25,392
Edward Byrne Memorial JAG	16.738	BSCC 601-14	<u>59,921</u>
Subtotal CFDA 16.738			<u>102,643</u>
Total U.S. Department of Justice			<u><u>\$ 210,938</u></u>
<b><u>U.S. Department of Labor</u></b>			
Passed through Employment Development Department via County ETR:			
Workforce Investment Act - Disability Employment Initiative	17.207		22,153
Workforce Investment Act - Adult	17.258		847,825
Workforce Investment Act - Youth	17.259		576,103
Workforce Investment Act - National Emergency	17.277		678,254
Workforce Investment Act - Dislocated Worker	17.278		1,019,244
Total U.S. Department of Labor			<u><u>\$ 3,143,578</u></u>
<b><u>U.S. Department of Transportation</u></b>			
Passed through State Department of Transportation:			
Highway Planning & Construction (RSTP Apportionment)	20.205	--	<u>2,083,111</u>
Subtotal CFDA 20.205			<u>2,083,111</u>
Passed through California High Speed Rail Authority:			
Federal Transit Administration (FTA) Section 5311	20.509	643141	<u>276,650</u>
Passed through California Office of Traffic Safety:			
Vertical Prosecution	20.601	DK1529	<u>121,197</u>
Subtotal CFDA 20.601			<u>121,197</u>
Total U.S. Department of Transportation			<u><u>\$ 2,480,957</u></u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

**COUNTY OF MADERA**  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<b><u>Institute of Museum and Library Services</u></b>			
Passed through State of California Library Division:			
Grants to States	45.310	40-8426	\$ 55,000
Total Institute of Musueam and Library Services			<u>\$ 55,000</u>
<b><u>U.S. Environmental Protection Agency</u></b>			
Passed through California Department of Public Health			
ARRA - Division of Drinking Water and Environmental Mgt	66.468	SRFLPA50	119,479
Clean Water State Revolving Fund	66.468	SRF11P122	229,680
Clean Water State Revolving Fund	66.468		69,887
Subtotal CFDA 66.468			<u>419,046</u>
Total U.S. Environmental Protection Agency			<u>\$ 419,046</u>
<b><u>U.S. Department of Health and Human Services</u></b>			
Direct Program:			
Food and Drug Administration-Research	93.103	G-T-1410-02260	<u>2,000</u>
Passed through Fresno-Madera Area Agency on Aging:			
Aging Title III Part C	93.045	15-1455	<u>32,000</u>
Passed through State Department of Social Services:			
Kingap IV-E Admin	93.090	--	1,870
Family Preservation and Support Services	93.556	--	145,979
Temporary Assistance for Needy Families	93.558	--	9,795,048
Child Support Enforcement	93.563	--	1,875,620
Community Based Child Abuse Prevention	93.590	--	21,706
Child Welfare Services – State Grants	93.645	--	97,838
Foster Care – Title IV-E	93.658	--	3,472,545
Adoption Assistance	93.659	--	1,432,576
In-Home Supportive Services	93.667	--	562,107
Independent Living	93.674	--	54,082
Medical Assisnace Program	93.778	--	2,379,420
Subtotal			<u>19,838,791</u>
Passed through State Department of Health Services:			
Personal Responsibility Education Program	93.092	12-10227	85,265
Tuberculosis Control Program	93.116	2013-199	47,778
Projects for Assistance in Transition from Homelessness (PATH)	93.150	--	38,658
Childhood Lead Poisoning Prevention Program (CLPPP)	93.197	11-10539	51,096
Immunization	93.268	13-20299	47,129
ACA Maternal, Infant and Early Childhood, HVP	93.505	201420	569,435
Community Transformation Grants	93.531	1017728	133,812
Community Transformation Program	93.737	9715-C-2012	22,873

See accompanying Notes to Schedule of Expenditures of Federal Awards

**COUNTY OF MADERA**  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<b><u>U.S. Department of Health and Human Services</u></b> (continued)			
Passed through State Department of Health Services (continued):			
Child Health & Disability Prev - Title XIX	93.778	CHDPL 14-03	\$ 198,633
HIV Care Formula Grants	93.917	12-10565/13-20057	79,958
Prevention first	93.945	14-10956	113,202
Block Grants for Community MH Services	93.958	--	242,394
Adolescent Family Life Demonstration Projects	93.995	201320	99,630
Subtotal			<u>1,729,864</u>
Hospital Preparedness Program	93.074	EPO 14-10515	140,996
Public Health Emergency Preparedness	93.074	EPO 14-10515	186,752
Subtotal CFDA 93.074			<u>327,748</u>
California Children's Services	93.767	CCS IN 13-04	326,941
Health Care for Children in Foster Care	93.767	CHDPL 13-03	86,438
Subtotal CFDA 93.767			<u>413,379</u>
Children's Health and Disability Prevention	93.994	CHDPL 14-04	154,372
Maternal,Child and Adolescent Health	93.994	201420	177,925
Subtotal CFDA 93.994			<u>332,297</u>
Passed through State Department of Alcohol and Drug Programs:			
Block Grants for Substance Abuse Prevention and Treatment (SAPT)	93.959	9180D-C-2014/14-90067	1,048,475
Total U.S. Department of Health and Human Services			<u>\$ 23,724,554</u>
<b><u>U.S. Department of Homeland Security</u></b>			
Passed through California Emergency Management Agency:			
Emergency Food and Shelter-FEMA 2013	97.024	Phase 31	331
Emergency Food and Shelter-FEMA 2014	97.024	Phase 34	9,097
Subtotal CFDA 97.024			<u>9,428</u>
2014 Emergency Management Performance grant	97.042	2014-0070	404,407
2012 State Homeland Security Grant	97.067	EMW-2012-SS-00123	88,132
2013 State Homeland Security Grant	97.067	2013-00110	152,760
2014 State Homeland Security Grant	97.067	2014-0093	53,453
Subtotal CFDA 97.067			<u>294,345</u>
Total U.S. Department of Homeland Security			<u>\$ 708,180</u>
Total Expenditures of Federal Awards			<u>\$ 46,084,445</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

**COUNTY OF MADERA**

Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2015

**NOTE 1: REPORTING ENTITY**

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

**NOTE 2: BASIS OF ACCOUNTING**

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

**NOTE 3: RELATIONSHIP TO FINANCIAL STATEMENTS**

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

**NOTE 4: SUBRECIPIENTS**

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

<u>Federal CFDA</u>	<u>Program Title</u>	<u>Amount Provided to Subrecipients</u>
14.228	Community Development Block Grant – City of Madera	\$ 514,363
17.207	Workforce Investment Act – Disability Employment Initiative	\$ 22,153
17.258	Workforce Investment Act – Adult	\$ 847,825
17.259	Workforce Investment Act – Youth	\$ 576,103
17.277	Workforce Investment Act – National Emergency Grants	\$ 678,254
17.278	Workforce Investment Act – Dislocated Worker	\$ 1,019,244

**COUNTY OF MADERA**

Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2015

**NOTE 5: PROGRAM CLUSTERS**

Federal programs, which must be audited together as a program cluster, include the following:

Child Nutrition Cluster:

10.553	School Breakfast Program	\$ 29,483
10.555	National School Lunch Program	<u>53,877</u>
	Total	<u>\$ 83,360</u>

SNAP Cluster:

10.551	Supplemental Nutrition Assistance Program	\$ 363,577
10.561	State Administrative Matching Grants for Food Stamp Program	<u>2,016,703</u>
	Total	<u>\$ 2,380,280</u>

WIA Cluster:

17.258	Workforce Investment Act - Adult	\$ 847,825
17.259	Workforce Investment Act - Youth	576,103
17.278	Workforce Investment Act - Dislocated Worker	<u>1,019,244</u>
	Total	<u>\$ 2,443,171</u>

**NOTE 6: PASS-THROUGH ENTITIES' IDENTIFYING NUMBER**

When federal awards were received from a pass-through entity, the Schedule of Expenditures of Federal Awards shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the County either determined that no identifying number is assigned for the program or was simply unable to obtain an identifying number from the pass-through entity.

**NOTE 7: LOANS WITH CONTINUING COMPLIANCE REQUIREMENT**

Outstanding federally-funded program loans, with a continuing compliance requirement, carried balances as of June 30, 2015 as follows:

Federal CFDA#	Program Title	Amount Outstanding		
		July 1, 2014	New Loans	June 30, 2015
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	\$ 3,751,600	\$ 213,038	\$ 4,189,638
14.239	HOME Investment Partnerships Program	<u>1,641,106</u>	<u>--</u>	<u>1,641,106</u>
	TOTAL	<u>\$ 5,392,706</u>	<u>\$ 438,038</u>	<u>\$ 5,830,744</u>



**COUNTY OF MADERA**

Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2015

**NOTE 8: OTHER LOANS**

Outstanding federally-funded program loans, carried balances as of June 30, 2015 as follows:

Federal CFDA No.	Program Title	Amount Outstanding	
		July 1, 2014	June 30, 2015
10.760	Water and Waste Disposal Systems for Rural Counties	\$ -	\$ 2,886,000

**NOTE 9: TOTAL FEDERAL AWARDS EXPENDED BY CFDA NUMBER**

The schedule of expenditures of federal awards does not summarize programs that are passed through different agencies. The following summarizes those programs that cross agency funding sources.

Program/Cluster Title	Number	Pass Through Grantor	Amount
Medical Assistance Program	93.778	State Department of Social Services	\$ 2,379,420
Child Health & Disability Prevention - Title XIX		State Department of Health Services	198,633
			<u>\$ 2,578,053</u>

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**COUNTY OF MADERA**

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2015

**Section 1**

Financial Statements

Summary of Auditor's Results

- |  |               |
|--|---------------|
| 1. Type of auditor's report issued:  | Unmodified    |
| 2. Internal controls over financial reporting:                                   |               |
| a. Material weaknesses identified?   | Yes           |
| b. Significant deficiencies identified not considered to be material weaknesses? | None reported |
| 3. Noncompliance material to financial statements noted?                         | No            |

Federal Awards

- |   |               |
|---|---------------|
| 1. Internal control over major programs:  |               |
| a. Material weaknesses identified?  | No            |
| b. Significant deficiencies identified not considered to be material weaknesses?  | None reported |
| 2. Type of auditor's report issued on compliance for major programs:  | Unmodified    |
| 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

Name of Federal Program

10.760	Rural Utilities Service
14.228	CDBG
17.207, 17.258, 17.259, 17.277 and 17.278	Workforce Investment Act Cluster
93.558	Temporary Assistance for Needy Families
93.658	Foster Care – Title IV-E

- |   |              |
|---|--------------|
| 5. Dollar Threshold used to distinguish between Type A and Type B programs?       | \$ 1,382,533 |
| 6. Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 530? | No           |

**COUNTY OF MADERA**

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2015

**Section 2**

Financial Statement Findings

2015-001

Unavailable Revenue

**Section 3**

Federal Award Findings and Questioned Costs

None reported.

**COUNTY OF MADERA**

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2015

**Reference Number** 2015-001

**Unavailable Revenue**

Criteria

Governmental funds recognize revenue as soon as they become both measurable and available. The County considers all revenues in governmental funds to be available when they are collectible within 60 days of the end of the current fiscal period.

Condition

As part of the County's year-end closing process, the County reviews receipts subsequent to year-end to determine whether amounts should be recorded in the prior year as receivables, revenues or unavailable revenues. During our audit we identified two items totaling \$800 thousand that were received in December for services rendered prior to June 30. The County recorded a receivable for \$800 thousand and charges for services for the same amount, though the receipt occurred after the County's 60 day availability period.

Cause of Condition

The journal entry recording the receivable and revenue was not reviewed by someone other than the preparer.

Effect of Condition

Revenue in the general fund was overstated by more than \$800 thousand because the amounts received in December did not meet the availability criterion.

Recommendation

We recommend that all journal entries be reviewed and approved by someone other than the preparer to reduce the risk that an error will go undetected and not be corrected.

Management Response

A review process is in place through our subsequent cash receipts testing process; however, at the time of our review, only receipts through November were available for our review and the error was overlooked. We will ensure in the future to include a second subsequent receipts review in order to eliminate these types of misstatements.

**COUNTY OF MADERA**

Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2015

<b>Reference Number</b>	2014-002
<b>Federal Program Title</b>	Workforce Investment Act
<b>CFDA Number</b>	17.258, 17.259, and 17.260
<b>Federal Agency</b>	U.S. Department of Labor
<b>Pass Through Entity</b>	State Employment Development Department
<b>Compliance Requirement</b>	Subrecipient Monitoring

Recommendation

We recommend the County prepare policies and procedures for monitoring its subrecipients and ensuring that these monitoring procedures are conducted. We further recommend that the County develop a monitoring checklist for these procedures. The U.S. Department of Labor and Workforce Investment Act Fiscal and Procurement Administration On-Site Monitoring Guide may be a good source for consultation.

Status

Implemented.