

COUNTY OF SOLANO, CALIFORNIA

Single Audit Reports
(OMB Circular A-133)

For the Fiscal Year Ended June 30, 2010

**COUNTY OF SOLANO, CALIFORNIA
SINGLE AUDIT REPORTS
(OMB CIRCULAR A-133)**

For the Fiscal Year Ended June 30, 2010

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COUNTY OF SOLANO, CALIFORNIA

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2010

Federal Agency			
Pass-Through Agency	CFDA	Agency	Program
Federal Program Title	Number	Pass-Through	Expenditures
		Number	
U.S. Department of Agriculture			
Pass Through Programs:			
State Department of Education			
School Breakfast Program	10.553	08-10066-0634774-01	\$ 29,533
School Breakfast Program	10.553	48-10488-6051569-01	66,038
Subtotal			95,571
National School Lunch Program	10.555	08-10066-0634774-01	45,600
National School Lunch Program	10.555	48-10488-6051569-01	101,796
Subtotal			147,396
Total Child Nutrition Cluster			242,967
State Department of Health Services			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	N/A	2,309,924
State Department of Social Services			
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561	1946001347-A7	4,039,969
ARRA - State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561	1946001347-A7	150,432
Total Supplemental Nutrition Assistance Cluster			4,190,401
Total U.S. Department of Agriculture			6,743,292
U.S. Department of Housing and Urban Development			
Direct Programs:			
Supportive Housing Program	14.235	N/A	292,869
Pass Through Programs:			
Vacaville Housing Authority			
Section 8 Housing Assistance Payments Program	14.195	CA131	2,222,193
State Department of Health Services			
Housing Opportunities for Persons with AIDS	14.241	N/A	294,251
Subtotal - Pass Through Programs			2,516,444
Total U.S. Department of Housing and Urban Development			2,809,313
U.S. Department of Justice			
Direct Programs:			
Law Enforcement Assistance - Narcotics and Dangerous Drugs - Laboratory Analysis	16.001	N/A	30,000
Drug Court Discretionary Grant Program	16.585	N/A	7,299
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	N/A	23,149
State Criminal Alien Assistance Program	16.606	N/A	498,852
Public Safety Partnership and Community Policing Grants	16.710	N/A	333,210
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	8,651
Subtotal - Direct Programs			901,161
Pass Through Programs:			
California Emergency Management Agency			
Juvenile Accountability Block Grants	16.523	CSA 103-07/CSA 103-09	36,068
Crime Victim Assistance	16.575	VW08270480	131,035
Edward Byrne Memorial Formula Grant Program	16.579	DC08210480	381,387
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	N/A	7,419
ARRA - Violence Against Women Formula Grants	16.588	RV09010480	12,219
ARRA - State Victim Assistance Formula Grant Program	16.801	VS09010480	18,141
ARRA - Edward Byrne Memorial Assistance Grant (JAG) Program/Grants to States and Territories	16.803	ZP09010480	174,396

See accompanying Notes to the Schedule of Expenditures of Federal Awards

COUNTY OF SOLANO, CALIFORNIA

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2010

Federal Agency Pass-Through Agency Federal Program Title	CFDA Number	Agency Pass-Through Number	Program Expenditures
U.S. Department of Justice (Continued)			
ARRA - Edward Byrne Memorial Assistance Grant (JAG) Program/Grants to Units of Local Government	16.804	2009-SB-B9-0537	83,928
ARRA - Edward Byrne Memorial Assistance Grant (JAG) Program/Grants to Units of Local Government	16.804	2009-DJ-BX-0455	31,000
Total Edward Byrne Memorial Assistance Grant (JAG) Program/Grants to Units of Local Government			114,928
Subtotal - Pass Through Programs			875,593
Total U.S. Department of Justice			1,776,754
U.S. Department of Labor			
Pass Through Programs:			
State Employment Development Department			
Workforce Investment Act (WIA) Adult Program	17.258	N/A	\$ 1,604,660
ARRA - Workforce Investment Act (WIA) Adult Program	17.258	N/A	605,956
Subtotal - 17.258			2,210,616
Workforce Investment Act (WIA) Youth Activities	17.259	N/A	1,179,854
ARRA - Workforce Investment Act (WIA) Youth Activities	17.259	N/A	1,137,047
Subtotal - 17.259			2,316,901
Workforce Investment Act (WIA) Dislocated Workers	17.260	N/A	1,570,430
ARRA - Workforce Investment Act (WIA) Dislocated Workers	17.260	N/A	1,425,606
Subtotal - 17.260			2,996,036
Total WIA Cluster			7,523,553
U.S. Department of Transportation			
Direct Program:			
Airport Improvement Program	20.106	N/A	182,213
Pass Through Programs:			
State Department of Transportation			
Highway Planning and Construction	20.205	5923	3,217,817
ARRA - Highway Planning and Construction	20.205	5923	3,001,809
Total Highway Planning and Construction			6,219,626
National Highway Traffic Safety Administration			
State and Community Highway Safety	20.600	N/A	26,803
Subtotal - Pass Through Programs			6,246,429
Total U.S. Department of Transportation			6,428,642
National Endowment for the Humanities			
Pass Through Programs:			
California State Library			
Grants to States	45.310	LS-00-09-0005-09	4,800
U.S. Department of Education			
Pass Through Programs:			
Office of Special Education and Rehabilitative Services			
Special Education - Grants to States	84.027	4801	872,106
U.S. Department of Health and Human Services			
Direct Programs:			
Food and Drug Administration - Research	93.103	N/A	650
Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, Public Housing Primary Care, and School Based Health Centers)	93.224	N/A	631,618
Drug Free Communities Support Program Grants	93.276	N/A	85,656
Child Abuse and Neglect Discretionary Activities	93.670	N/A	260,510
ARRA - Grants to Health Center Programs	93.703	N/A	209,893
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	N/A	341,250
Subtotal - Direct Programs			1,529,577

See accompanying Notes to the Schedule of Expenditures of Federal Awards

COUNTY OF SOLANO, CALIFORNIA

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2010

Federal Agency			
Pass-Through Agency	CFDA	Agency	Program
Federal Program Title	Number	Pass-Through	Expenditures
U.S. Department of Health and Human Services (Continued)		Number	
Pass Through Programs:			
State Department of Health Services			
Public Health Emergency Preparedness	93.069	N/A	1,086,937
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	N/A	77,325
Childhood Lead Poisoning Prevention Projects - State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	N/A	53,244
Family Planning Services	93.217	N/A	32,208
Immunization Grants	93.268	N/A	92,044
National Bioterrorism Hospital Preparedness Program	93.889	N/A	240,300
HIV Care Formula Grants	93.917	N/A	226,340
HIV Prevention Activities - Health Department Based	93.940	N/A	117,746
Maternal and Child Health Services Block Grant to the States	93.994	N/A	2,830,570
State Department of Mental Health			
Projects for Assistance in Transition from Homelessness (PATH)	93.150	N/A	\$ 100,224
Block Grants for Community Mental Health Services	93.958	N/A	216,187
State Department of Social Services			
Promoting Safe and Stable Families	93.556	194-600-1347-A7	332,098
Temporary Assistance for Needy Families	93.558	194-600-1347-A7	40,141,334
ARRA - Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program	93.714	194-600-1347-A7	38,129
Subtotal - Temporary Assistance for Needy Families			40,179,463
Refugee and Entrant Assistance - State Administered Programs	93.566	194-600-1347-A7	16,303
Child Welfare Services - State Grants	93.645	194-600-1347-A7	184,619
Social Services Research and Demonstration	93.647	N/A	119,315
Foster Care (Title IV-E)	93.658	194-600-1347-A7	7,516,554
ARRA - Foster Care (Title IV-E)	93.658	194-600-1347-A7	153,814
Subtotal - 93.658			7,670,368
Adoption Assistance	93.659	194-600-1347-A7	2,213,820
ARRA - Adoption Assistance	93.659	194-600-1347-A7	229,326
Subtotal - 93.659			2,443,146
Social Services Block Grant	93.667	194-600-1347-A7	1,274,873
Chafee Foster Care Independence Program	93.674	194-600-1347-A7	173,164
State Department of Child Support Services			
Child Support Enforcement	93.563	1-94600-1347-P-9	6,856,643
ARRA - Child Support Enforcement	93.563	1-94600-1347-P-9	1,343,255
Subtotal - 93.563			8,199,898
State Department of Alcohol and Drug			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	N/A	2,371,674
State Department of Social Services			
Medical Assistance Program	93.778	194-600-1347-A7	11,918,294
Medical Assistance Program	93.778	195-600-1347-A7	1,385,267
ARRA - Medical Assistance Program	93.778	195-600-1347-A7	260,086
State Department of Mental Health			
Medical Assistance Program	93.778	N/A	3,599,862
State Department of Health Services			
Medical Assistance Program	93.778	15-15395	1,371,545
Subtotal - 93.778			18,535,054
Subtotal - Pass Through Programs			86,573,100
Total U.S. Department of Health and Human Services			88,102,677

See accompanying Notes to the Schedule of Expenditures of Federal Awards

COUNTY OF SOLANO, CALIFORNIA

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2010

Federal Agency			
Pass-Through Agency	CFDA	Agency	Program
Federal Program Title	Number	Pass-Through	Expenditures
		Number	
Corporation for National and Community Service			
Pass Through Programs:			
Prevent Child Abuse CA			
Americorps	94.006	03AFHCA 0020001	2,432
U.S. Department of Homeland Security			
California Emergency Management Agency			
Emergency Management Performance Grants	97.042	2008-009	130,308
Homeland Security Grant Program	97.067	2007-008	1,250,169
Total U.S. Department of Homeland Security			1,380,477
Total Expenditures of Federal Awards			\$ 115,644,046

See accompanying Notes to the Schedule of Expenditures of Federal Awards

COUNTY OF SOLANO, CALIFORNIA

Notes to the Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2010

NOTE 1 – GENERAL

The Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the County of Solano (the County). Expenditures of federal awards received directly from federal agencies, as well as expenditures of federal awards passed through other governmental agencies, are included on the SEFA. Expenditures funded by the American Recovery and Reinvestment Act of 2009 are denoted by the prefix “ARRA” in the federal program title.

NOTE 2 – BASIS OF ACCOUNTING

The accompanying SEFA is presented using the modified accrual basis of accounting and the accrual basis of accounting for program expenditures accounted for in governmental funds and proprietary funds, respectively, as described in Note I of the County’s basic financial statements.

NOTE 3 – CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBERS

The CFDA numbers included in the accompanying SEFA were determined based on the program name, review of grant contract information, and the Office of Management and Budget’s Catalog of Federal Domestic Assistance.

NOTE 4 – RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

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

NOTE 5 – RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

NOTE 6 – AMOUNTS PROVIDED TO SUBRECIPIENTS

Of the federal expenditures presented in the SEFA, the County provided federal awards to subrecipients as follows:

Federal Program Title	CFDA Number	Program Expenditures
Section 8 Housing Assistance Payment Program	14.195	\$ 2,222,193
WIA Adult Program	17.258	203,059
WIA Youth Activities	17.259	109,998
WIA Dislocated Worker Program	17.260	17,148

The Honorable Board of Supervisors and the
Grand Jury of the County of Solano, 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, each major fund, and the aggregate discretely presented component units and remaining fund information of the County of Solano, California (County) as of and for the fiscal year ended June 30, 2010, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 28, 2010. Our report includes a reference to other auditors, as well as an explanatory paragraph describing the County's implementation of a new governmental accounting standard, which was effective July 1, 2009. 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 Solano County Fair, as described in our report on the County's financial statements. The financial statements of the Solano County Fair were not audited in accordance with *Government Auditing Standards*.

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 and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as item 2010-01 that we consider to be a significant deficiency in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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*.

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 it.

This report is intended solely for the information and use of the County Board of Supervisors, Grand Jury, County management and the 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.

Macian Mini & O'Connell LLP

Certified Public Accountants

Sacramento, California
December 28, 2010

The Honorable Board of Supervisors and the
Grand Jury of the County of Solano, California

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM,
INTERNAL CONTROL OVER COMPLIANCE AND SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS IN ACCORDANCE WITH OMB CIRCULAR A-133**

Compliance

We have audited the County of Solano's, California (County) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material affect on each of the County's major federal programs for the fiscal year ended June 30, 2010. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, the County complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of the County's major federal programs for the fiscal year ended June 30, 2010.

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 reasonably 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.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the County as of and for the fiscal year ended June 30, 2010, and have issued our report thereon dated December 28, 2010. Our report contained explanatory language describing our reliance upon the report of other auditors for the Solano County Fair, as well as describing the County's implementation of a new governmental accounting standard, which was effective July 1, 2009. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The 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 it.

This report is intended solely for the information and use of the County Board of Supervisors, Grand Jury, County management and the 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.

Maclean Mini & O'Connell LLP

Certified Public Accountants

Sacramento, California
February 17, 2011, except for
the Schedule of Expenditures
of Federal Awards as to which
the date is December 28, 2010

COUNTY OF SOLANO, CALIFORNIA

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2010

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	Yes
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	None reported
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?	No

Identification of major programs:

<u>Federal Program Title</u>	<u>CFDA Number</u>
Special Supplemental Nutrition Program For Women, Infants, and Children	10.557
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561
Workforce Investment Act Cluster:	
Workforce Investment Act - Adult Program	17.258
Workforce Investment Act - Youth Activities	17.259
Workforce Investment Act - Dislocated Workers	17.260
Highway Planning and Construction	20.205
Adoption Assistance	93.659
Medical Assistance Program	93.778

COUNTY OF SOLANO, CALIFORNIA

Schedule of Findings and Questioned Costs (Continued) For the Fiscal Year Ended June 30, 2010

Section I – Summary of Auditor’s Results (Continued)

Federal Awards (Continued):

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

Section II – Financial Statement Findings

Finding Reference: 2010-01

Criteria:

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Furthermore, pursuant to Subpart C, section .300(d) of Office of Management and Budget (OMB) Circular A-133, *Audits, of States, Local Governments, and Non-Profit Organizations*, “the auditee shall prepare appropriate financial statements, including the schedule of expenditures of federal awards in accordance with section .310.”

Condition:

While conducting our audit, we noted that the Department of Resource Management (Department) experienced some difficulties in identifying and accurately reporting the federally funded portion of expenditures incurred for the Highway Planning and Construction program for the year ended June 30, 2010. As a result of our audit procedures, we noted that expenditures, as originally reported by the County in the amount of \$5,271,460, were understated by \$948,166. The understatement represented nearly 15% of the total program expenditures of \$6,219,626 reported in the SEFA for the Highway Planning and Construction program.

Cause:

Based upon our observation, it appears that due to the recent transfers of employees between County departments, there was a misunderstanding concerning the methodology for identifying and measuring federal funded expenditures incurred during the year, due to the multiple funded nature of the Highway Planning and Construction program.

Effect:

The County exposes itself to the risk of inaccurately preparing the SEFA in accordance with the requirements of OMB Circular A-133 by not properly reporting all federal program expenditures that could result in the misidentification of major programs.

COUNTY OF SOLANO, CALIFORNIA

Schedule of Findings and Questioned Costs (Continued) For the Fiscal Year Ended June 30, 2010

Section II – Financial Statement Findings (Continued)

Recommendation:

While federal funds are a valuable source of revenue for the County, the receipt of federal funds imposes very specific and stringent reporting requirements that can be complicated and consume considerable staff time related to administration and monitoring. Based on our finding, we recommend that the Department develop written policy and procedures which documents the process for measuring and reporting federal expenditures as it pertains to the SEFA pursuant to the requirements of OMB Circular A-133. Furthermore, all fiscal and engineering staff within the Department that work with federally reimbursed projects should be trained on the new policies and implementation of the procedures. The new policies and procedures should provide current and new staff with the proper guidelines on the reporting requirements and provide a framework for ensuring consistency and continuity in the identification and reporting of federal award expenditures for future reporting periods. The County Auditor-Controller's Office should be consulted to assist with the development of the procedures.

Management' Responses and Correction Action Plan:

The Department agrees that changes are needed in our current procedures to ensure accurate reporting in the future. The Department has begun steps to implement the requested changes in our reporting methodology. The Department will be working with the Auditor-Controller's Office to ensure that the new procedures meet the current Federal reporting requirements.

The procedure the Department has developed will be implemented and the staff will be trained on the new SEFA reporting procedure. The Department has also created a checklist that will be utilized to capture all year end entries related to the Road Fund, thereby ensuring the proper identification of federally funded expenditures for reporting in the County's SEFA.

Section III – Federal Award Findings and Questioned Costs

None.

COUNTY OF SOLANO, CALIFORNIA

Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2010

None.