

**COUNTY OF LAKE,
CALIFORNIA**



**SINGLE AUDIT ACT
REPORTS AND SCHEDULES
FOR THE YEAR ENDED
JUNE 30, 2010**

THIS PAGE INTENTIONALLY LEFT BLANK

COUNTY OF LAKE, CALIFORNIA
SINGLE AUDIT ACT
FOR THE YEAR ENDED JUNE 30, 2010

TABLE OF CONTENTS

	Page
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	1
Report on Compliance with Requirements Applicable to Each Major Program And on Internal Control over Compliance in Accordance with OMB Circular A-133	2-3
Schedule of Expenditures of Federal Awards for the Year Ended June 30, 2010	4-7
Notes to Schedule of Expenditures of Federal Awards	8-9
Schedule of Findings and Questioned Costs for the Year Ended June 30, 2010	10
Summary Schedule of Prior Year Recommendations	11

THIS PAGE INTENTIONALLY LEFT BLANK

**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 and the Grand Jury
County of Lake
Lakeport, California

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 of Lake, California (County), as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements and have issued our report thereon dated November 19, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A 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 other matters that we reported to management of the County in a separate report dated November 19, 2010.

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



Smith & Newell CPA's
Yuba City, California
November 19, 2010

THIS PAGE INTENTIONALLY LEFT BLANK

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

To the Board of Supervisors and Grand Jury
County of Lake
Lakeport, California

Compliance

We have audited the compliance of County of Lake, California, 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, 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 on the County's compliance with those requirements.

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

To the Board of Supervisors and Grand Jury
County of Lake
Lakeport, California

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 remaining fund information of County of Lake, California, as of and for the year ended June 30, 2010, and have issued our report thereon dated November 19, 2010, which contained unqualified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The Schedule of Expenditures of Federal Awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, 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 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 information is fairly stated in all material respects in relation to the financial statements taken as a whole.

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


Smith & Newell, CPAs
Yuba City, California
November 19, 2010

COUNTY OF LAKE, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

<u>Federal Grantor/Pass-Through Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture</u>			
Passed through State Department of Food and Agriculture Specialty Crop Block Grant Program	10.169	SCB09039	\$ 57,018
Passed through National Forest Service: Cooperative Forestry Assistance	10.664	06-LE-11051360-016	57,259
Passed through State Department of Social Services: Supplemental Nutrition Assistance Program	10.551	-	13,975,941
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	-	826,553
Passed through State Department of Education School Breakfast Program	10.553	-	11,270
National School Lunch Program	10.555	-	17,744
Passed through State Controller's Office Schools and Roads - Grants to Counties	10.666	-	<u>352,971</u>
Total U.S. Department of Agriculture			<u>15,298,756</u>
<u>U.S. Department of Housing and Urban Development</u>			
Direct Program: Section 8 Housing Choice Vouchers	14.871	-	1,918,941
Passed through State Department of Housing and Community Development: Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii	14.228	05 STBG 1421	70,808
Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii	14.228	-	<u>39,187</u>
Subtotal 14.228			<u>109,995</u>
Home Investment Partnerships Program	14.239	05 HOME 2161	1,098
Home Investment Partnerships Program	14.239	07 HOME 3070	281,596
Home Investment Partnerships Program	14.239	-	<u>90,299</u>
Subtotal 14.239			<u>372,993</u>
Total U.S. Department of Housing and Urban Development			<u>2,401,929</u>
<u>U.S. Department of the Interior</u>			
Direct Program: Payments in Lieu of Taxes	15.226	-	<u>126,382</u>
Total U.S. Department of the Interior			<u>126,382</u>
<u>U.S. Department of Labor</u>			
Direct Program: ARRA - Employee Benefits Security Administration (EBSA)	17.151	-	<u>18,085</u>
Total U.S. Department of Labor			<u>18,085</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

COUNTY OF LAKE, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

<u>Federal Grantor/Pass-Through Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Justice</u>			
Direct Program:			
Crime Victim Assistance	16.575	VW 09 24 0170	\$ 57,279
Grants to Encourage Arrest Policies and Enforcement of Protection Orders	16.590	2005 WE AX 0034	200,080
State Criminal Alien Assistance Program	16.606	-	37,264
Passed through State Office of Criminal Justice Planning Edward Byrne Memorial Formula Grant Program	16.579	2009-27	<u>275,000</u>
Total U.S. Department of Justice			<u>569,623</u>
<u>U.S. Department of Transportation</u>			
Passed through State Department of Transportation:			
Highway Planning and Construction	20.205	BRLS-5914(025)	16,094
Highway Planning and Construction	20.205	BRNBIL(037)	4,614
Highway Planning and Construction	20.205	RPSTPLE-5914(042)	331,178
Highway Planning and Construction	20.205	RPSTPLE-5914(043)	475,825
Highway Planning and Construction	20.205	STPLHG-5914 (047)	444,301
Highway Planning and Construction	20.205	BPMP-5914(049)	49,196
Highway Planning and Construction	20.205	HSIPL-5914(053)	198,534
Highway Planning and Construction	20.205	HSIPL-5914(056)	376
Highway Planning and Construction	20.205	BRLO-5914(063)	6,304
ARRA - Highway Planning and Construction	20.205	ESPL-5914(060)	768,522
ARRA - Highway Planning and Construction	20.205	ESPLE-5914(062)	4,372
Highway Planning and Construction	20.205	ER-4402(004)	20,016
Highway Planning and Construction	20.205	ER-4402(008)	82,828
Highway Planning and Construction	20.205	ER-4402(009)	100,004
Highway Planning and Construction	20.205	ER-4402(012)	71,021
Highway Planning and Construction	20.205	ER-4402(015)	19,703
Highway Planning and Construction	20.205	ER-4402(016)	26,686
Highway Planning and Construction	20.205	ER-4402(017)	84,946
Highway Planning and Construction	20.205	ER-4402(019)	<u>109,634</u>
Subtotal 20.205			<u>2,814,154</u>
Passed through Federal Aviation Administration: Airport Improvement Program	20.106	3-06-0117-10	38,827
Passed through State Office of Traffic Safety State and Community Highway Safety	20.600	AL 1051	207,290
Passed through State Emergency Management Agency Intragency Hazardous Materials Public Sector Training and Planning Grants	20.703	HM-HMP-0039-09-01-00	<u>17,431</u>
Total U.S. Department of Transportation			<u>3,077,702</u>
<u>Environmental Protection Agency</u>			
Direct Program:			
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	-	12,600
ARRA - Capitalization Grants for Clean Water State Revolving Funds	66.458	-	<u>1,051,582</u>
Total Environmental Protection Agency			<u>1,064,182</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF LAKE, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

<u>Federal Grantor/Pass-Through Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Energy</u>			
Direct Program:			
Renewable Energy Reseach and Development	81.087	-	\$ 14,005
Total U.S. Department of Energy			<u>14,005</u>
<u>U.S. Department of Health and Human Services</u>			
Passed through State Department of Social Services:			
Promoting Safe and Stable Families	93.556	-	54,725
Temporary Assistance for Needy Families	93.558	-	8,047,943
Child Welfare Services - State Grants	93.645	-	41,397
Social Services Block Grant	93.667	-	104,384
Chafee Foster Care Independence Program	93.674	-	46,173
ARRA Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program	93.714	-	292,013
Passed through State Child Support Department			
Foster Care - Title IV-E	93.658	-	2,204,408
ARRA - Foster Care - Title IV-E	93.658	-	109,104
Subtotal 93.658			<u>2,313,512</u>
Passed through State Child Support Department			
Adoption Assistance	93.659	-	1,367,268
ARRA - Adoption Assistance	93.659	-	146,151
Subtotal 93.659			<u>1,513,419</u>
Passed through State Child Support Department			
Child Support Enforcement	93.563	-	1,291,585
ARRA - Child Support Enforcement	93.563	-	298,493
Subtotal 93.563			<u>1,590,078</u>
Passed through State Department of Alcohol and Drug Programs:			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	SAPT	494,053
Passed through State Department of Mental Health:			
Block Grants for Community Mental Health Services	93.958	SAMSHA	89,219
Passed through State Department of Health Services:			
Medical Assistance Program	93.778	MAA	144,496
Medical Assistance Program	93.778	TCM	22,334
Medical Assistance Program	93.778	-	192,633
Medical Assistance Program	93.778	IHSS	733,134
ARRA - Medical Assistance Program	93.778	IHSS	132,393
Subtotal 93.778			<u>1,224,990</u>
National Bioterrorism Hospital Preparedness Program	93.889	EPO 07-18	142,932
National Bioterrorism Hospital Preparedness Program	93.889	EPO 08-18	134,835
National Bioterrorism Hospital Preparedness Program	93.889	EPO 09-18	514,721
Subtotal 93.889			<u>792,488</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

COUNTY OF LAKE, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

<u>Federal Grantor/Pass-Through Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Health and Human Services (Continued)</u>			
Passed through State Department of Health Services (Continued):			
Maternal and Child Health Services Block Grant to the States	93.994	MCH	\$ 132,744
Maternal and Child Health Services Block Grant to the States	93.994	CHDP	120,605
Maternal and Child Health Services Block Grant to the States	93.994	CCS	162,740
Maternal and Child Health Services Block Grant to the States	93.994	HCPCFC	<u>27,365</u>
Subtotal 93.994			<u>443,454</u>
Total U.S. Department of Health and Human Services			<u>17,047,848</u>
<u>U.S. Department of Homeland Security</u>			
Direct Program:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR-1628	696,774
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR-1646	<u>292,688</u>
Subtotal 97.036			<u>989,462</u>
Emergency Management Performance Grants	97.042	2008-9	87,612
Law Enforcement Terrorism Prevention Program (LETPP)	97.074	FY 07	<u>10,838</u>
Total U.S. Department of Homeland Security			<u>1,087,912</u>
Total Expenditures of Federal Awards			<u>\$ 40,706,424</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

COUNTY OF LAKE, CALIFORNIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

1. REPORTING ENTITY

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the County of Lake. The County of Lake 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 on the schedule.

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 the federal program on the schedule of expenditures of federal awards.

2. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the County and is presented on accounting principles generally accepted in the United States of America. 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 financial statements.

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 inter governmental revenue in the General and Special Revenue Funds.

4. 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 determined that no identifying number is assigned for the program or the County was unable to obtain an identifying number from the pass-through entity.

5. LOANS OUTSTANDING

The programs listed below had the following aggregate, federally funded loans outstanding at June 30, 2010:

<u>Federal CFDA</u>	<u>Program Title</u>	<u>Amount Outstanding</u>
14.228	Community Development Block Grant State's Program and Non-Entitlement Grants in Hawaii	\$ 1,138,790
14.239	HOME Investment Partnership Program	<u>6,670,152</u>
	Total Loans Outstanding	<u>\$ 7,808,942</u>

6. PROGRAM CLUSTERS

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

<u>Federal CFDA</u>	<u>Program Title</u>	<u>Federal Expenditures</u>
<u>SNAP Cluster</u>		
10.551	Supplemental Nutrition Assistance Program	\$ 13,975,941
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	<u>826,553</u>
	Total	<u>\$ 14,802,494</u>
<u>Child Nutrition Cluster</u>		
10.553	School Breakfast Program	\$ 11,270
10.555	State Administrative Matching Grants for Food Stamp Program	<u>17,744</u>
	Total	<u>\$ 29,014</u>

COUNTY OF LAKE, CALIFORNIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

6. PROGRAM CLUSTERS (CONTINUED)

<u>TANF Cluster</u>			
93.558	Temporary Assistance for Needy Families	\$	8,047,943
93.714	ARRA Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program		<u>292,013</u>
	Total	\$	<u>8,339,956</u>

7. CALIFORNIA OFFICE OF EMERGENCY SERVICES PROGRAMS

The following represents expenditures for the California Office of Emergency Services (OES) programs for the year ended June 30, 2010. The amount reported in the Schedule of Expenditure of Federal Awards is determined by calculating the federal portion (if any) of the current year expenditures.

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2009	For the Year Through June 30, 2010	Cumulative As of June 30, 2010	Federal Share	State Share	County Share
<u>VB08060170 - Vertical Prosecution</u>						
Personal services	\$ -	\$ 228,635	\$ 228,635	\$ -	\$ 228,635	\$ -
Operating expenses	-	10,763	10,763	-	10,763	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ -</u>	<u>\$ 239,398</u>	<u>\$ 239,398</u>	<u>\$ -</u>	<u>\$ 239,398</u>	<u>\$ -</u>
<u>VW09240170 - Violence Against Women</u>						
Personal services	\$ -	\$ 116,433	\$ 116,433	\$ 46,363	\$ 70,070	\$ -
Operating expenses	-	10,916	10,916	10,916	-	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ -</u>	<u>\$ 127,349</u>	<u>\$ 127,349</u>	<u>\$ 57,279</u>	<u>\$ 70,070</u>	<u>\$ -</u>

COUNTY OF LAKE, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010

I. SUMMARY OF AUDITOR'S RESULTS

<u>Financial Statements</u>	<u>Status</u>
1. Type of auditor's report issued	Unqualified
2. Internal controls over financial reporting:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified not considered to be material weaknesses?	No
3. Noncompliance material to financial statements noted?	No
<u>Federal Awards</u>	
1. Internal control over major programs:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified not considered to be material weaknesses?	No
2. Type of auditor's report issued on compliance for major programs:	
All major programs	Unqualified
3. Any audit findings disclosed including those that are required to be reported in accordance with OMB Circular A-133 Section 510(a)?	No
4. Identification of major programs:	
10.551 Supplemental Nutrition Assistance Program	
10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	
20.205 Highway Planning and Construction	
20.205 ARRA - Highway Planning and Construction	
93.558 Temporary Assistance for Needy Families	
93.563 Child Support Enforcement	
93.563 ARRA - Child Support Enforcement	
93.658 Foster Care - Title IV-E	
93.658 ARRA - Foster Care IV-E	
93.659 Adoption Assistance	
93.659 ARRA - Adoption Assistance	
93.714 ARRA Emergency Contingency Fund for Temporary Assistance For Needy Families (TANF) State Program	
93.778 Medical Assistance Program	
93.778 ARRA - Medical Assistance Program	
5. Dollar threshold used to distinguish between Type A and Type B programs?	\$1,221,193
6. Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 530?	Yes

II. FINANCIAL STATEMENT FINDINGS

None

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None

COUNTY OF LAKE, CALIFORNIA
SUMMARY SCHEDULE OF PRIOR YEAR RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30 2010

<u>Audit Reference</u>	<u>Status of Prior Year Audit Recommendation</u>
09-FS-01	GASB STATEMENT NO. 31 Recommendation We recommend that the County adopt a policy requiring regular review and adjustment of investments in accordance with GASB Statement No. 31. Status Implemented
09-FS-02	MENTAL HEALTH ACCOUNTS PAYABLE Recommendation We recommend that the Mental Health Department submit bills for payment in a timely manner and in the future insure that this situation does not occur again. Status Implemented
09-FS-03	INTERFUND LOAN ACCOUNTING Recommendation We recommend that the County adopt the procedures required in GASB Statement No. 34 to record interfund loans. Status In Progress