

COUNTY OF SAN DIEGO, CALIFORNIA

Single Audit Reports

For the Year Ended June 30, 2005

COUNTY OF SAN DIEGO, CALIFORNIA
Single Audit Reports
For the Year Ended June 30, 2005

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Board of Supervisors
County of San Diego, California

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of San Diego, California (County), as of and for the year ended June 30, 2005, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 19, 2005. Our report included an explanatory paragraph describing the County's adoption of the provisions of Governmental Accounting Standards Board (GASB) Statement No. 40 – *Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*. We did not audit the financial statements of the San Diego First Five Commission (Commission), the discretely presented component unit, and the San Diego County Employees Retirement Association (SDCERA), which represents 63%, 65%, and 6% of the assets, net assets/fund balances and revenues, respectively, of the aggregate remaining fund information as of and for the year ended June 30, 2005. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Commission and SDCERA, is based on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion 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 that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud 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.

Compliance and Other Matters

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

We noted certain matters that we have reported to management of the County in a separate letter dated December 19, 2005.

This report is intended solely for the information of the Board of Supervisors, the County's Audit Committee, County management and 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.

Maayan Dini & Company LLP

Certified Public Accountants

Los Angeles, California
December 19, 2005



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County of San Diego, California

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM, INTERNAL CONTROL OVER COMPLIANCE,
THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, AND THE
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF THE OFFICE OF EMERGENCY
SERVICES GRANT PROGRAMS IN ACCORDANCE WITH OMB CIRCULAR A-133**

Compliance

We have audited the compliance of the County of San Diego, California (County), 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, 2005. 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 report dated March 29, 2006, we reported that we were unable to obtain a list of case referrals for Child Support Non-Cooperation from the State IV-D Agency (the County's Child Support Agency) because the list of referrals could not be generated from the state-mandated system for the year ended June 30, 2005. Accordingly, we were unable to test the County's compliance with the special tests and provisions of the Child Support Non-Cooperation requirement for the Temporary Assistance for Needy Families (TANF) major program, nor were we able to satisfy ourselves as to the County's compliance

with those requirements by other auditing procedures. As a result, we expressed a qualified opinion on compliance with the requirements of the TANF major program regarding the special tests and provisions of the Child Support Non-Cooperation requirement due to this scope limitation. Subsequent to the issuance of our report, through the application of alternative procedures, the County was able to develop a list of case referrals for Child Support Non-Cooperation from the State IV-D Agency (the County's Child Support Agency) and we were able to test compliance with the special tests and provisions of the program. Accordingly, our opinion on compliance, as presented herein, is unqualified.

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, 2005. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133, which is described in the accompanying schedule of findings and questioned costs as item 05-01.

Internal Control Over Compliance

The 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 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.

We noted certain matters involving the internal control over compliance and its operations that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the County's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. A reportable condition is described in the accompanying schedule of findings and questioned costs as item 05-01.

A material weakness is a reportable 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 caused by error or fraud 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. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable condition described above is not a material weakness.

Schedule of Expenditures of Federal Awards and Supplementary Schedule of Expenditures of the Office of Emergency Services Grant Programs

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of San Diego, California (County), as of and for the year ended June 30, 2005, and have issued our report thereon dated December 19, 2005. Our report included an explanatory paragraph describing the County's adoption of the provisions of Governmental Accounting Standards Board (GASB) Statement No. 40 – *Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*. We did not audit the financial statements of the San Diego First Five Commission (Commission), the discretely presented component unit, and the San Diego County Employees Retirement Association (SDCERA), which represents 63%, 65%, and 6% of the assets, net assets/fund balances and revenues, respectively, of the aggregate remaining fund information as of and for the year

ended June 30, 2005. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Commission and SDCERA, is based on the reports of the other auditors. 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 and supplementary schedule of expenditures of the Office of Emergency Services (OES) grant programs are presented for purposes of additional analysis as required by OMB Circular A-133 and OES, respectively, and are 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.

This report is intended solely for the information and use of the Board of Supervisors, the County's Audit Committee, County management and 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.

Maayan Dini & Company LLP

Certified Public Accountants

Los Angeles, California

March 29, 2006, except for the Temporary Assistance for Needy Families Program, Special Tests and Provisions, Child Support Non-Cooperation, as to which the date is May 19, 2006, and except for the report on the Schedule of Expenditures of Federal Awards and Supplementary Schedule of Expenditures of the Office of Emergency Services Grant Programs, as to which the date is December 19, 2005

COUNTY OF SAN DIEGO, CALIFORNIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005

Federal Grantor County Program Name	Direct(D) Indirect(I)	Catalog of Federal Domestic Assistance Number	Entity's Identifying Number	Federal Expenditures	Pass-thru Awards to Subrecipients
<u>DEPARTMENT OF AGRICULTURE</u>					
National School Breakfast Nutrition	I	10.553	37-34371-9003328-01	\$ 378,404	\$ -
National School Lunch Nutrition	I	10.555	FF-0203-23	613,848	-
Subtotal 10.553 & 10.555 (Child Nutrition Cluster)				992,252	-
Food Stamps	I	10.551	N/A	89,159,265	-
CALWIN	I	10.561	3764901.000	3,373,487	-
F.S. Employment and Training Program	I	10.561	53-3198-2-64	368,929	-
Non Assistance Food Stamps Administration	I	10.561	Subvention	9,939,863	-
Subtotal 10.551& 10.561(Food Stamp Cluster)				102,841,544	-
Food Distribution	I	10.570	AP-0405-23	927,749	927,749
Trail Easement Acquisition	I	10.670	N/A	1,539	-
SUBTOTAL - DEPARTMENT OF AGRICULTURE				104,763,084	927,749
<u>DEPARTMENT OF COMMERCE</u>					
National Oceanic Atmospheric Adm. Coastal Impact Grant	D	11.419	NA170Z2069	19,624	-
SUBTOTAL - DEPARTMENT OF COMMERCE				19,624	-
<u>DEPARTMENT OF EDUCATION</u>					
Safe & Drug Free Schools and Communities Grant 2004	D	84.186	SDF03-22	81,457	77,402
Safe & Drug Free Schools and Communities Grant 2005	D	84.186	SDF03-22	89,106	84,007
Subtotal 84.186				170,563	161,409
Family TIES	D	84.255	Q255A030010	464,323	397,591
SUBTOTAL - DEPARTMENT OF EDUCATION				634,886	559,000
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>					
Health Resources and Svcs Admin Na'tl Bio Hosp Prep	I	93.003	N/A	2,095,613	2,012,557
Adult Protective Services (APS)	I	93.041	N/A	3,189,554	-
TITLE VII-B Elder Abuse Prevention	I	93.041	AP-0405-23	43,384	-
Subtotal 93.041				3,232,938	-
TITLE VII-A Ombudsman	I	93.042	AP-0405-23	112,579	-
TITLE III-Part D Preventive Health	I	93.043	AP-0405-23	123,149	-
TITLE III-B Senior Social Services	I	93.044	AP-0405-23	2,272,847	1,213,661
TITLE III-C Senior Nutrition Program	I	93.045	AP-0405-23	4,003,409	3,617,881
Subtotal 93.044, 93.045 (Aging Cluster)				6,276,256	4,831,542
Long Term Care Integration Project - ADRC	I	93.048	CT-0405-18	148,448	-
TITLE III-Caregiver 02-05	I	93.052	AP-0405-23	1,328,887	1,220,040
Kids Oral Health Care	I	93.110	H47MCC00004-04-03	26,285	-
TB Control Cooperative 82/00	I	93.116	U52/CCU900452-18 TO 22	1,893,284	228,628
Office of Minority Health SD County TB Prog	D	93.137	D52MP02109-01-0	93,184	-
Project for Assistance in Transition for the Homeless	I	93.150	N/A	391,963	-
Binge and Underage Drinking Initiative, State Incentive Grant (SIG)	I	93.243	SIG 04-10	64,648	63,439
San Diego Dependency Court Recovery Proj enhanced	I	93.243	6H79TI1433-02	283,192	283,192
San Diego Dependency Court Recovery Proj enhanced	I	93.243	5H79TI1433-03	40,877	40,877
Subtotal 93.243				388,717	387,508
Pediatric Immunization Program	I	93.268	04-35248	1,448,887	975,703
Prevention of Viral Hepatitis among High Risk Youth	I	93.283	U50/CCU922281-03	132,883	58,761
Public Health Preparedness & Response to Bioterrorism	I	93.283	N/A	4,031,296	1,311,730
Subtotal 93.283				4,164,179	1,370,491
Comprehensive Drug Court Implementation-PSSF	I	93.556	CDCI-04/05-37-05A1	53,340	53,340
Promote Safe Stable Family	I	93.556	N/A	2,895,903	2,780,382
Subtotal 93.556				2,949,243	2,833,722
Child Care CalWORKS Stage1	I	93.558	N/A	18,424,639	-
Kin-GAP (Admin)	I	93.558	N/A	342,857	-
Kin-GAP	I	93.558	N/A	2,461,299	-
TANF Aid Payments (FG/U)	I	93.558	Subvention	139,102,582	-
TANF CAL Learn	I	93.558	Subvention	765,331	323,635
TANF CALWORKS Administrator	I	93.558	Subvention	15,549,188	-
TANF Emergency Assistance-Foster Care (Placement Cost)	I	93.558	N/A	1,987,902	-
TANF Fraud Incentives	I	93.558	N/A	2,923	-
TANF Performance Incentives	I	93.558	N/A	915,911	815,920
TANF Welfare to Work	I	93.558	N/A	22,712,201	347,818
TANF (Probation)	D	93.558	N/A	3,897,321	-
TANF Emergency Assistance (Admin)	I	93.558	Subvention	18,731,327	-
Subtotal 93.558				224,893,481	1,487,373

COUNTY OF SAN DIEGO, CALIFORNIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005

Federal Grantor County Program Name	Direct(D) Indirect(I)	Catalog of Federal Domestic Assistance Number	Entity's Identifying Number	Federal Expenditures	Pass-thru Awards to Subrecipients
Title IV-D Administrative Claim	I	93.563	N/A	\$ 35,490,637	\$ -
Community Services Block Grant	I	93.569	05F-4637	1,752,154	-
Community Services Block Grant	I	93.569	N/A	149,611	-
Subtotal 93.569				<u>1,901,765</u>	-
Targeted Assistance 2003	I	93.584	TAFO 0304	720,971	-
Targeted Assistance 2004	I	93.584	TAFO 0404	487,942	-
Subtotal 93.584				<u>1,208,913</u>	-
Child Care & Development Block Grant	I	93.596	FAPP-4057	2,334,917	-
Child Care and Dev. Block Grant Exp.(CALWORKS 2 FED)	I	93.596	F2AP-4051	6,534,932	-
Child Care and Dev. Block Grant Exp.(CALWORKS 3 FED)	I	93.596	F3TO-4053	3,362,557	-
Subtotal 93.596 (Child Care Cluster)				<u>12,232,406</u>	-
CWS Title IV-B	I	93.645	Subvention	2,957,472	-
CCL Foster Home Licensing	I	93.658	Subvention	733,707	-
Foster Parent Training/Recruitment	I	93.658	Subvention	80,904	-
Group Home Monthly Visit	I	93.658	Subvention	396,090	-
SA/HIV Infant Program	I	93.658	Subvention	196,946	-
Title IV-E Foster Care (Admin)	I	93.658	Subvention	2,931,741	-
Title IV-E Foster Care (Aid Pmts)	I	93.658	Subvention	25,911,112	-
Title IV-E CWS	I	93.658	Subvention	30,998,175	-
Title IV-E Foster (FPP)	I	93.658	Subvention	1,371,199	-
Title IV-E Foster Care (Probation Admin)	I	93.658	N/A	10,448,112	-
Title IV-E Foster Care(Probation-Placement Cost)	I	93.658	N/A	1,375,382	-
Group Home Monthly Visit	I	93.658	N/A	98,185	-
Subtotal 93.658				<u>74,541,553</u>	-
Adoption Assistance	I	93.659	Subvention	19,347,457	-
Adoption Basic	I	93.659		2,946,235	-
Subtotal 93.659				<u>22,293,692</u>	-
CCL Title XX	I	93.667	Subvention	354,415	-
CWS Title XX	I	93.667	Subvention	3,218,763	-
Subtotal 93.667				<u>3,573,178</u>	-
Independent Living Skill Program	I	93.674	Subvention	1,126,519	927,216
Drug Medi-Cal Program	I	93.778	N/A	699,588	699,588
In-Home Supportive Services (IHHS Admin)	I	93.778	N/A	7,146,487	-
Lead Poisoning Case Management	I	93.778	02-25069	185,104	-
MEDI-CAL Program	I	93.778	N/A	41,350,883	-
Multi-purpose Senior Service Prog.	I	93.778	MS-0405-07	2,445,550	506,334
Public Authority	I	93.778	N/A	3,094,576	-
Subtotal 93.778 (Medicaid Cluster)				<u>54,922,188</u>	1,205,922
Health Insurance Counseling Advocacy Prog. (HICAP)	I	93.779	HI-0405-23	79,714	79,714
Hansen's Disease Program '04	I	93.846	HSH258200430011C	79,742	-
Hansen's Disease Program '05	I	93.846	HSH25800430011C	68,291	-
Subtotal 93.846				<u>148,033</u>	-
HIV Emergency Relief Project Grants - Title I	I	93.914	2H89HA00001-14,15	9,487,787	8,465,241
Special Proj. for National Importance	I	93.928	1H97HA00188	98,043	-
SAMHSA Block Grant	I	93.958	N/A	3,214,053	-
State and Federal Block Grant-Alcohol & Drug Services	I	93.959	N/A	18,201,196	17,390,472
SATTA	D	93.959	N/A	27,045	-
Subtotal 93.959				<u>18,228,241</u>	17,390,472
Safe and Bright Futures for Children Initiative	D	93.990	N/A	28,443	-
Health Incentive Program 314(d) '03/04	I	93.991	FED 314 (d)	2,482	-
Health Incentive Program 314(d) '04/05	I	93.991	FED 314 (d)	7,445	-
Subtotal 93.991				<u>9,927</u>	-
Bioterrorism Training and Curriculum Development Program	I	93.996	N6311604MD4005/12/14	275,910	72,728
SUBTOTAL - DEPARTMENT OF HEALTH AND HUMAN SERVICES				<u>491,385,567</u>	<u>43,488,857</u>
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>					
Retired Senior Volunteer Program	I	94.002	02SSRPCA118	122,777	-
SUBTOTAL - CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				<u>122,777</u>	<u>-</u>

COUNTY OF SAN DIEGO, CALIFORNIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005

Federal Grantor County Program Name	Direct(D) Indirect(I)	Catalog of Federal Domestic Assistance Number	Entity's Identifying Number	Federal Expenditures	Pass-thru Awards to Subrecipients
<u>DEPARTMENT OF HOMELAND SECURITY</u>					
FY02 State Domestic Preparedness Eqpt Grant	I	97.004	2002-133 OES#073-0000	\$ 65,754.00	\$ 65,754.00
FY03 Urban Area Security Initiative (Part I)	I	97.008	2003-023	4,993	4,993
FY03 Urban Area Security Initiative (Part II)	I	97.008	2004-0014	59,017	59,017
Subtotal 97.008				64,010	64,010
FY03 Pre Disaster Mitigation Competitive Project	I	97.017	EMF-2004-PC-0002	111,301	111,301
Public Assistance Grants	I	97.036	FEMA-1498-DR-CA	1,547,293	-
FY04 Emergency Management Performance Grant	I	97.042	EMF-2004-GR-0402	260,999	260,999
Citizen Corps	I	97.053	2004-045-OES#073-00000	33,207	33,207
FY 03 State Homeland Security Grant Program-Part I	I	97.073	2003-167-OES#73-00000	1,825,555	1,825,555
FY 03 State Homeland Security Grant Program-Part II	I	97.073	2003-035-OES#73-00000	3,345,140	3,345,140
FY04Homeland Security Grant-State homeland Security	I	97.073	2004-045-OES#073-00000	2,881,418	2,881,418
Subtotal 97.073				8,052,113	8,052,113
FY04 Law Enforcement Terrorism Prevention Program	I	97.074	2004-045 OES#073-00000	142,708	142,708
SUBTOTAL - DEPARTMENT OF HOMELAND SECURITY				10,277,385	8,730,092
<u>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>					
Community Dev.Block Grant (CDBG Cluster)	D	14.218	B75 to B03-UC-06-0501	5,325,208	2,909,469
Emergency Shelter Grant	D	14.231	S-03-UC-06-0501	74,249	74,249
Emergency Shelter Grant	D	14.231	S-02-UC-0501	127,226	116,501
Subtotal 14.231				201,475	190,750
Supportive Housing Program	D	14.235	CA16B210004-VARIOUS	1,576,710	1,534,064
Supportive Housing Program	D	14.235	CA16B110001-VARIOUS	938,997	916,220
Supportive Housing Program	D	14.235	CA16B110011-VARIOUS	498,314	400,491
Supportive Housing Program	D	14.235	CA16B910006-910007	308,878	307,125
Subtotal 14.235				3,322,899	3,157,900
Shelter Plus Care Grant	D	14.238	CA16C210009	172,582	164,242
Shelter Plus Care Grant	D	14.238	CA16C910002	299,541	276,321
Subtotal 14.238				472,123	440,563
Home Investment Partnership Act.	D	14.239	M92 to M03DC060534	4,739,361	4,136,751
Housing Opport. for Persons w/ AIDS (City)	D	14.241	CA16H99F008-VARIOUS	2,478,737	1,522,714
Housing Opport. for Persons w/ AIDS(County)	D	14.241	CAH010014	132,210	15,000
Housing Opport. for Persons w/ AIDS(HOPWA LA POSADA)	I	14.241	CAH-04-F008	117,210	74,155
Housing Opport. For Persons w/ AIDS (HOPWA)	I	14.241	CAH-04-F008	235,389	235,389
Subtotal 14.241				2,963,546	1,847,258
Performance Funding Syst. Oper. Subsidy	D	14.850	CA108-001-04J	169,044	-
Section 8 Moderate Rehabilitation Prog (Project#3)	D	14.856	CA108MR0003	173,565	-
Section 8 Moderate Rehabilitation Prog (Project#4)	D	14.856	CA108MR0004	590,146	-
Subtotal 14.856 (Section 8 Project Based Cluster)				763,711	-
Resident Opport & Self Sufficiency	D	14.870	CA02RSE108P0104	20,608	-
Section 8 Voucher	D	14.871	CA108V0	90,838,956	-
Section 8 Voucher Mainstream	D	14.871	CA108DV0001	277,904	-
Subtotal 14.871				91,116,860	-
Capital Fund Program 07/02-06/06	D	14.872	CA16P108501-02	59,078	-
Capital Fund Program 09/03-09/07	D	14.872	CA16P108501-03	43,652	-
Capital Fund Program 01/04-01/08	D	14.872	CA16P108502-03	9,928	-
Capital Fund Program 09/04-09/08	D	14.872	CA16P108501-04	12,623	-
Subtotal 14.872				125,281	-
Lead Base Paint Hazard Control Program	D	14.900	CALHB012999	514,307	-
SUBTOTAL - DEPARTMENT OF HOUSING & URBAN DEVELOPMENT				109,734,423	12,682,691
<u>DEPARTMENT OF INTERIOR</u>					
Planning of Natural Communities ConservationProgram #7	D	15.615	1148-11430-97-J192	20,469	-
Planning of Natural Communities ConservationProgram #8	D	15.615	1148-11430-97-J192	34,391	-
Planning of Natural Communities ConservationProgram #9	D	15.615	1148-11430-97-J193	810	-
Subtotal 15.615				55,670	-
SUBTOTAL - DEPARTMENT OF INTERIOR				55,670	-

COUNTY OF SAN DIEGO, CALIFORNIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005

Federal Grantor County Program Name	Direct(D) Indirect(I)	Catalog of Federal Domestic Assistance Number	Entity's Identifying Number	Federal Expenditures	Pass-thru Awards to Subrecipients
<u>DEPARTMENT OF JUSTICE</u>					
HIDTA Grant (Sheriff) '04	I	16.001	I3PSCP575	\$ 606,864	\$ -
HIDTA Grant (Sheriff) '05	I	16.001	I4PSCP575	605,717	-
HIDTA Grant(D.A./SDPD)	I	16.001	I2PSCP575	442,119	-
Subtotal 16.001				1,654,700	-
San Diego Regional Anti-Trafficking Task Force	D	16.320	2005-VT-BX-0001	13,680	-
Juvenile Accountability Incentive Block Grant 03-04	I	16.523	IP02010370	694,202	-
Internet Crimes Against Children (ICAC) Task	I	16.542	2000-MC-CX-K013	84,993	-
Challenge Activites Program	D	16.549	BDC226-04	142,227	-
GREAT FY 2004	D	16.737	2004-JV-FX-0134	41,974	-
2004 DNA Capacity Enhacement	D	16.560	2004-DN-BX-K070	62,890	-
2004 Forensic Casework DNA Backlog	D	16.560	2004-DN-BX-K150	44,647	-
Solving Cold Cases with DNA	D	16.560	2004-DN-BX-K035	1,209	-
Coverdell 03	I	16.560	CQ03020370	5,013	-
Coverdell 04	I	16.560	CQ04030370	3,683	-
Subtotal 16.560				117,442	-
2003 No Suspect DNA Backlog	I	16.564	MOU	13,688	-
Elder Abuse Advocacy Outreach Prog.	I	16.575	EA03060370	41,589	-
Elder Abuse Advocacy Outreach Prog.	I	16.575	EA04070370	93,375	-
Victim-Witness Assistance Project	I	16.575	VW04230370	536,507	-
Subtotal 16.575				671,471	-
Marijuana Eradication Prog. 2005-34 Jan-Jun 05	I	16.579	2005-31	21,675	-
Marijuana Eradication Prog. 2004-31. Jul-Dec. 04	I	16.579	2004-31	105,366	20,808
S.D. County Reg. Drug Enf. Prog.(JUDGE)DA	I	16.579	DC04170370	1,735,745	945,213
Subtotal 16.579				1,862,786	966,021
Domestic Violence Stalking	I	16.588	VV04060370	115,645	-
Drug Endangered Children	I	16.597	EN04020370	31,311	2,860
FY 2003 Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	D	16.590	2003-WE-BX-0056	178,888	72,142
Local Law Enforcement Block Grant 2003LBVX2691	D	16.592	2003-LB-BX-2691	131,064	-
State Criminal Alien Assistance Program 05 Award	D	16.606	FY05	2,346,881	-
COPS 2003 Technology	D	16.710	2003CKWX0019	579,362	514,460
COPS More 2001	D	16.710	2001CLWX0019	727,794	580,116
COPS Universal (1995)	D	16.710	1995CCWX0476	561,897	-
COPS Universal Supplemental Grant	D	16.710	2001ULWX0018	150,000	-
Subtotal 16.710				2,019,053	1,094,576
SUBTOTAL - DEPARTMENT OF JUSTICE				10,120,005	2,132,739
<u>DEPARTMENT OF LABOR</u>					
TITLE V Community Services Employment Project	I	17.235	TV-0304-23	338,675	338,675
SUBTOTAL - DEPARTMENT OF LABOR				338,675	338,675
<u>DEPARTMENT OF TRANSPORTATION</u>					
Borrego Valley Airport - (Rehabilitate Runway & Taxiway)	D	20.106	AIP 3-06-0027-10	394,336	-
Gillespie Field Airport (Acquire Power Sweeper)	D	20.106	AIP 3-06-0212-09	150,000	-
Gillespie Airport (Rehab 27R)	D	20.106	AIP 3-06-0212-08	36,203	-
Gillespie Field (Rehab. R/W27R.)	D	20.106	AIP 3-06-0212-07	1,428,448	-
McClellan-Palomar Airport (TWA)	D	20.106	AIP 3-06-0036-15	43,529	-
McClellan-Palomar Airport (TWA)	D	20.106	AIP 3-06-0036-18	284,783	-
McClellan-Palomar Airport-Noise Study	D	20.106	AIP 3-06-0036-14	24,702	-
McClellan-Palomar Airport (Land Purchase)	D	20.106	AIP 3-06-0036-19	1,123,238	-
Subtotal 20.106				3,485,239	-
Blk. Canyon Rd. 2C4002	I	20.205	BRL-5957(019)	125,426	-
Bradley Ave. Interchanges 1C1005	I	20.205	STPL-5957(054)	180,035	-
Collier Way Over Harbison Cyn Creek (1C2000)	I	20.205	BRLO-5957(056)	83,305	-
Lawson Valley Road (2C3000)	I	20.205	BRLO-5957(057)	86,873	-
Maple View/Vine Street (1C1010)	I	20.205	STPLHSR-5957(055)	145,702	-
Valley Center Rd. Bridges 2C5001	I	20.205	BRL-5957(020)	133,341	-
Viejas Bridge Over Sweetwater 1C8397	I	20.205	BRLS-5957(039)	41,299	-
Willows Rd over Sweetwater Bridge (1C3008)	I	20.205	BHLSCR-5957(062)	19,508	-
Subtotal 20.205 (Highway Planning and Construction Cluster)				815,489	-

COUNTY OF SAN DIEGO, CALIFORNIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005

Federal Grantor County Program Name	Direct(D) Indirect(I)	Catalog of Federal Domestic Assistance Number	Entity's Identifying Number	Federal Expenditures	Pass-thru Awards to Subrecipients
State and Community Highway Safety-2005 Sobriety-IE	I	20.600	AM05124	\$ 7,350	\$ -
State and Community Highway Safety-2005 Sobriety-LG	I	20.600	AM05031	3,068	-
State and Community Highway Safety-2005 Sobriety-VI	I	20.600	AM05123	3,460	-
State and Community Highway Safety-2005 Sobriety-SM	I	20.600	AM5065	14,528	-
State and Community Highway Safety-2005 Sobriety-SA	I	20.600	AM05130	6,918	-
State and Community Highway Safety-2004 Sobriety-IE	I	20.600	AM04118	6,458	-
State and Community Highway Safety-2004 Sobriety-LG	I	20.600	AM04008	10,313	-
State and Community Highway Safety-2004 Sobriety-VI	I	20.600	AM04122	7,159	-
State and Community Highway Safety-2004 Sobriety-SM	I	20.600	AM04121	5,682	-
State and Community Highway Safety-2004 Sobriety-PC	I	20.600	AM04085	5,060	-
State and Community Highway Safety-2005 CA Seat Belt-IE	I	20.600	IN53702	6,280	-
State and Community Highway Safety-2005 CA Seat Belt-LC	I	20.600	IN53704	14,835	-
State and Community Highway Safety-2005 CA Seat Belt-VI	I	20.600	IN53708	5,509	-
State and Community Highway Safety-2005 CA Seat Belt-SM	I	20.600	IN53707	9,415	-
State and Community Highway Safety-2005 CA Seat Belt-LC	I	20.600	IN43701	10,004	-
State and Community Highway Safety-ABC Minor Decoy grant	I	20.600	04MDG-15	3,818	-
Subtotal 20.600 (Highway Safety Cluster)				119,857	
SUBTOTAL - DEPARTMENT OF TRANSPORTATION				4,420,585	-
<u>DEPARTMENT OF TREASURY</u>					
Federal Equitable Sharing Program	D	21.000	CA037013G	38,246	-
SUBTOTAL - DEPARTMENT OF TREASURY				38,246	-
<u>ENVIRONMENTAL PROTECTION AGENCY</u>					
Air Pollution Control Prog-EPA	D	66.001	A-009059-04-1	576,308	-
Air Pollution Control Prog-EPA	D	66.001	A-009059-05-0	1,193,367	-
Subtotal 66.001				1,769,675	-
CAA Special Purpose-Studying Air Pollution for US-Mexico Border	D	66.034	XA-99999401-4	25,935	-
CAA Special Purpose-US-Mex Border Clean Diesel Ems. Demc	D	66.034	XA-96918401-4	51,587	-
CAA Sect. 103 School Bus Retrofit Program	D	66.034	XA-83174901-0	341,500	-
Subtotal 66.034				419,022	-
USEPA Wetlands Protection Development	D	66.461	CD-97918801-0	3,748	-
Project Gilligan	D	66.472	02-26035		-
CAA Sect. 103-Special Monitoring	D	66.500	BW-97964501-1	165,256	-
Air 10.3-PM 2.5 Monitoring Network	D	66.606	PM-97951201-2	162,533	-
State Toxic Substance	I	66.701	03-T2672	55,616	-
State Toxic Substance	I	66.701	04-T8217	35,736	-
Subtotal 66.701				91,352	-
Local Oversight Program (LOP)	I	66.805	03-019-250-0	1,719,172	-
USEPA US-MEXICO BORDER GRANT-V63	D	66.931	96910201	9,295	-
USEPA US-MEXICO BORDER GRANT-V64	D	66.931	96910001	10,495	-
Subtotal 66.931				19,790	-
SUBTOTAL - ENVIRONMENTAL PROTECTION AGENCY				4,350,548	-
<u>INSTITUTE OF MUSEUM AND LIBRARY SERVICES</u>					
Global Languages Materials Grant Program	I	45.310	LSTA L-102 #40-6201	26,400	-
California Cultural Crossroads Pilot Grant Program	I	45.310	LSTA C-4 #40-6242	16,500	-
Public Library Staff Education	I	45.310	LSTA E-38#40-6283	10,514	-
Reach Out and Read (ROR) - Filed Grants	I	45.310	LSTA R-10#40-6383	3,828	-
SUBTOTAL - INSTITUTE OF MUSEUM AND LIBRARY SERVICES				57,242	-
<u>GENERAL SERVICES ADMINISTRATION</u>					
Election Reform Payments	D	39.011	P.L 107-252	971,844	-
SUBTOTAL - GENERAL SERVICES ADMINISTRATION				971,844	-
GRAND TOTAL				\$ 737,290,561	\$ 68,859,803

COUNTY OF SAN DIEGO, CALIFORNIA
 Supplementary Schedule of Expenditures of the Office of Emergency Services Grant Programs
 For the Year Ended June 30, 2005

GRANTOR/PASS-THROUGH GRANTOR	ASSISTANCE NUMBER	TERM OF ASSISTANCE	PERSONAL SERVICES	OPERATING EXPENSES	EQUIPMENT	TOTAL ACTUAL EXPENDITURES
STATE OES FINANCIAL ASSISTANCE						
High Tech Identity Theft Program (DA)	HD03030370	10/01/03-09/30/04	\$ 85,333	\$ -	\$ 17,020	\$ 102,353 (a)
High Tech Identity Theft Program (DA)	HD04040370	07/01/04-06/30/05	250,668	421,140	-	671,808 (b)
High Tech Theft and Prosecution (DA)	HT03030370	07/01/03-09/30/04	375,392	464,145	154,096	993,633 (c)
High Tech Theft and Prosecution (DA)	HT04040370	07/01/04-06/30/05	1,137,726	750,888	17,933	1,906,547 (d)
Vertical Prosecution Block Program	VB04020370	07/01/03-06/30/04	342,470	-	-	342,470
Cold Hit Program (Sheriff)	CG00010370	10/01/00-09/30/04	813	150	-	963
TOTAL STATE OES FINANCIAL ASSISTANCE			\$ 2,192,402	\$ 1,636,323	\$ 189,049	\$ 4,017,774
FEDERAL OES FINANCIAL ASSISTANCE						
Coverdell 03	CQ03020370	03/01/04-02/28/05	\$ -	\$ 5,013	\$ -	\$ 5,013
Coverdell 04	CQ04030370	03/01/05-12/31/05	-	3,683	-	3,683
Domestic Violence Stalking (DA)	VV04060370	10/01/04-06/30/05	154,193	-	-	154,193 (e)
Drug Endangered Children (DEC) Yr 2	EN04020370	07/01/04-09/30/05	31,311	-	-	31,311
Elder Abuse Advocacy Outreach Prog.(DA)	EA03060370	10/01/03-09/30/04	42,450	1,606	-	44,056 (f)
Elder Abuse Advocacy Outreach Prog.(DA)	EA04070370	10/01/04-09/30/05	105,552	3,244	-	108,796 (g)
San Diego County Regional Drug Enf. Prog. (DA)	DC04170370	07/01/04-06/30/05	1,168,793	566,952	-	1,735,745
Victim/Witness Assistance Program (DA)	VW04230370	10/01/04-06/30/05	1,196,427	12,109	-	1,208,536 (h)
TOTAL FEDERAL OES FINANCIAL ASSISTANCE			\$ 2,698,726	\$ 592,607	\$ -	\$ 3,291,333

- (a) Includes \$20,471 of County matching funds
- (b) Includes \$134,362 of County matching funds
- (c) Includes \$198,726 of County matching funds
- (d) Includes \$381,309 of County matching funds
- (e) Includes \$38,548 of County matching funds
- (f) Includes \$2,467 of County matching funds
- (g) Includes \$ 15,421 of County matching funds
- (h) Includes \$672,029 of State matching funds

See accompanying Notes to Schedule of Expenditures of Federal Awards and Supplementary Schedule.

COUNTY OF SAN DIEGO, CALIFORNIA
Notes to Schedule of Expenditures of Federal Awards and Supplementary Schedule
For the Year Ended June 30, 2005

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the County of San Diego, California (County). Federal awards received directly from federal agencies as well as federal awards passed through other nonfederal agencies, primarily the State of California, are included on the schedule. The County's reporting entity is defined in Note 1 to the County's basic financial statements.

2. BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting except for programs recorded in the County's enterprise funds, which are presented using the accrual basis of accounting, which is described in Note 1 to the County's basic financial statements.

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

4. RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying Schedule of Expenditures of Federal Awards are in material agreement with the amounts reported in the related federal financial reports for the federal award programs.

5. OFFICE OF EMERGENCY SERVICES GRANT PROGRAMS

At the request of the State of California Office of Emergency Services, the schedule of expenditures is also included as a supplementary schedule on page 11.

6. PASS-THROUGH AWARDS TO SUBRECIPIENTS

Included in the Schedule of Expenditures of Federal Awards are the amounts passed through to subrecipients.

COUNTY OF SAN DIEGO, CALIFORNIA
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2005

Section I Summary of Auditor's Results

FINANCIAL STATEMENTS

Type of auditor's report issued on the basic financial statements of the County:	Unqualified
Internal control over financial reporting:	
◆ Material weakness(es) identified?	No
◆ Reportable condition(s) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to the financial statements noted?	No

FEDERAL AWARDS

Internal control over major programs:	
◆ Material weakness(es) identified?	No
◆ Reportable condition(s) identified that are not considered to be material weaknesses?	Yes
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	Yes
Identification of major programs:	

CFDA number(s)	Name of Federal Program
10.551 & 10.561	Food Stamp Cluster
14.235	Supportive Housing Program
14.239	Home Investment Partnership Program
20.106	Airport Improvement Program
93.041	Adult Protective Services
93.558	Temporary Assistance for Needy Families
93.563	Title IV-D Administrative Claim- Child Support Enforcement
93.659	Adoption Assistance
93.667	CWS Title XX- Social Services Block Grant
93.959	State and Federal Block Grant-Alcohol & Drug Services
97.073	State Homeland Security Program

COUNTY OF SAN DIEGO, CALIFORNIA

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2005

Section I Summary of Auditor's Results (Continued)

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

Section II Financial Statement Findings

No matters were reported.

Section III Federal Award Findings and Questioned Costs

Finding 05-01:	Special Tests and Provisions, Income Eligibility and Verification System	
Federal Agency:	Department of Health and Human Services	
Program Name:	Temporary Assistance for Needy Families (TANF)	
CFDA # and Program Expenditures	#93.558	\$224,893,481
Award Year	June 30, 2005	

Condition:

Per *OMB A-133 Compliance Supplement* Part IV for CFDA #93.558, TANF/CalWorks cases subject to the Income Eligibility and Verification System (IEVS) should use the IEVS to determine eligibility in accordance with the State Plan by properly considering the information obtained from the data matching in determining eligibility and the amount of TANF benefits.

Per the State Plan, the current federal rule prescribes that the IEVS match follow-up shall be completed within 45 days of the date the state agency completes the match. During our audit test work performed to determine whether the County has implemented the required IEVS for employment data matching, and verification and use of such data, we noted the following in our sample of forty (40) participant files:

Earnings Clearance System (ECS)

- Four (4) reports were not documented in the client files. These were reviewed and rejected due to no dollar impact.
- One (1) report was without the date of rejection.
- Two (2) reports were not filed in a timely manner and were reviewed with no dollar impact.

New Hire Registry (NHR)

- The date of review and worker signature were missing on two (2) reports
- One (1) new hire review was not conducted in a 45-day period.
- Fourteen (14) reports were not documented in the new hire files however they were reviewed.

COUNTY OF SAN DIEGO, CALIFORNIA

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2005

Section III Federal Award Findings and Questioned Costs (Continued)

Questioned Cost:

Not determinable

Recommendation:

We recommend the County strengthen its review process over the maintenance of documentation enforcing the federal requirement of timely reviews and adequate documentation.

Management Response and Corrective Action Plan:

We concur with the findings. The County will reinforce their policies and procedures pertaining to the documentation requirements in order to demonstrate compliance with these requirements.

Finding 05-02:

Federal Agency:

Special Tests and Provisions, Child Support Non-Cooperation

Program Name:

Department of Health and Human Services

CFDA # and Program Expenditures

Temporary Assistance for Needy Families (TANF)

Award Year:

#93.558 \$224,893,481

June 30, 2005

Condition:

The Child Support Agency under Title IV-D of the Social Security Act determines that an individual is not cooperating with the State in establishing paternity, or in establishing, modifying or enforcing a support order with respect to a child of the individual, and reports that information to the agency responsible for TANF, the TANF agency must (1) deduct an amount equal to not less than 25 percent from the TANF assistance that would otherwise be provided to the family of the individual, and (2) may deny the family any TANF assistance. The County Child Support Agency did not maintain a list of referrals or fully utilize the ARNS system field that indicates that a determination and referral of non-cooperation was made during the fiscal year. The County Child Support Agency was ultimately able to produce a referral listing by reviewing their system data base and identifying case referrals through this extensive review.

Questioned Cost:

Not applicable

Recommendation:

The County Child Support Agency should fully utilize the ARNS system field that indicates that a determination and referral of non-cooperation was made.

Management Response and Corrective Action Plan:

The County of San Diego Department of Child Support Services has already implemented a new procedure this year that will identify all non-cooperation cases.

COUNTY OF SAN DIEGO, CALIFORNIA

Summary Schedule of Prior Audit Findings

For the Year Ended June 30, 2005

Section IV Summary Schedule of Prior Audit Findings

Finding 04-01 Noncompliance with deadline reporting requirements established under the grant

Federal Agency: Department of Health and Human Services-Centers for Disease Control

Program Name: Centers for Disease Control and Prevention-Investigations and Technical Assistance

CFDA # #93.283

Corrective action has been taken. The County will continue to make improvements in the process.

Finding 04-02 The unspent federal amounts were not remitted back to the State Pass-Through Agency

Federal Agency: Department of Health and Human Services-Centers for Disease Control

Program Name: Centers for Disease Control and Prevention-Investigations and Technical Assistance

CFDA # #93.283

Corrective action has been taken.