

CITY OF DELANO
SINGLE AUDIT REPORTS
FOR THE YEAR ENDED JUNE 30, 2009

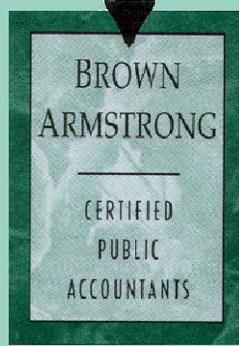
**CITY OF DELANO
SINGLE AUDIT REPORTS
JUNE 30, 2009**

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REPORTS

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

To the Honorable City Council of
The City of Delano, 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 City of Delano, as of and for the year ended June 30, 2009, which collectively comprise the City of Delano's basic financial statements and have issued our report thereon dated May 31, 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 City of Delano's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of its internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Delano's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we considered to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the combined significant deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs as Findings Number 1 through 4, to be material weaknesses.

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. We consider the deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs as Findings Number 1 through 4, to be significant deficiencies in internal control over financial reporting.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Delano'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which are listed in the accompanying Schedule of Findings and Questioned Costs as Findings Number 1 through 4.

The City of Delano's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the City of Delano's responses, and, accordingly, we express no opinion on them.

We noted certain matters that we reported to management of the City of Delano, California, in a separate letter dated May 31, 2010.

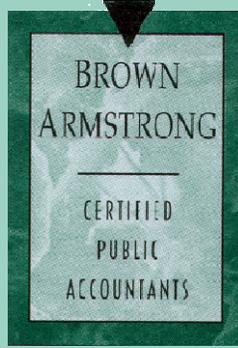
This report is intended solely for the information and use of the City Council and management and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION



Bakersfield, California
May 31, 2010

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

To the Honorable City Council of
The City of Delano, California

Compliance

We have audited the compliance of the City of Delano 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, 2009. The City of Delano'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 City of Delano's management. Our responsibility is to express an opinion on the City of Delano'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 City of Delano'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 City of Delano's compliance with those requirements.

In our opinion, the City of Delano 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, 2009.

Internal Control Over Compliance

Management of the City of Delano is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Delano'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, 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 City of Delano's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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.

The City of Delano's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the City of Delano's responses and, accordingly, we express no opinion on the responses.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Delano, as of and for the year ended June 30, 2009, and have issued our report thereon dated May 31, 2010. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the City of Delano'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 of the City of Delano. 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 management, City Council, 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.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION



Bakersfield, California
May 31, 2010

SUPPLEMENTARY INFORMATION

**CITY OF DELANO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009**

<u>Agency / Program / Grant</u>	<u>Passed-Through Entity Grant Number</u>	<u>CFDA #</u>	<u>Award Expended</u>
<u>U.S. Department of Housing and Urban Development</u>			
CDBG/Entitlement Grants	N/A	14.218	\$ 128,534
CDBG Small Cities Program, Passed through the County of Kern	N/A	14.219	33,184
First Time Homebuyers' Program	N/A	14.239	<u>374,620</u>
Total			<u>536,338</u>
<u>Environmental Protection Agency</u>			
Passed through State Water Resources Control Board ARRA: Capitalization Grants for Clean Water State Revolving Funds	C-06-4242-110	66.458 *	<u>8,744,438</u>
<u>U.S. Department of Health and Human Services</u>			
Passed through State Department on Aging Special Program for the Aging Title III Part C (Older Americans Grant)	N/A	93.045	<u>40,687</u>
<u>U.S. Department of Agriculture</u>			
Passed through State Department on Aging Nutrition Services Incentive Program	N/A	93.053	<u>29,712</u>
Grand Total			<u><u>\$ 9,351,175</u></u>

* Major Program

CITY OF DELANO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

Monies received under the grant programs have been recorded within the funds of the City of Delano. The City utilizes the modified accrual basis of accounting for its governmental funds and accrual basis for its business-type activities. The accompanying Schedule of Expenditures of Federal Awards has been prepared accordingly.

B. Schedule of Expenditures of Federal Awards

The Schedule of Expenditures of Federal Awards is prepared from the accounts of the grant programs and, therefore, does not present the financial position or results of the operations of the City of Delano.

FINDINGS AND QUESTIONED COSTS SECTION

**CITY OF DELANO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Section I – Summary of Auditor's Results

A. Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	Yes
Significant deficiencies identified not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	Yes

B. Federal Awards

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	No
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit finding disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)?	No

C. Identification of major programs

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
CFDA Number 66.458	ARRA: Capitalization Grants for Clean Water State Revolving Funds (SRF)
Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
Auditee qualified as low-risk auditee?	No

Section II – Financial Statements Audit Findings and Questioned Costs

Finding Number 1 – Capital Assets

During our audit, we noticed that there were errors contained in the capital assets schedule, partially due to unresolved prior year problems and partially due to errors in current year capitalization and recording of capital outlays. As a result, the capital asset schedule was not reconciled to the beginning balance and was not completed during the closing process.

Recommendation

We recommend the City provide training to staff in charge of capital assets accounting and purchase new accounting software for capital assets. In addition, the City's Finance Department should review staff's work during the closing process.

Management Response

The City has purchased the new GFOA publication, Accounting for Capital Assets. The City has purchased, and is in the process of installing, the Capital Asset module for the accounting software "MOM." Training has been scheduled for the City staff responsible for Capital Asset accounting. Finance staff will review future closing procedures for the capitalization of fixed assets.

Finding Number 2 – Lack of Accounting Staff at Community Correction Facility (CCF)

Per our updates on the key controls for the CCF, we noted the segregation of duties on cash receipts was distributed among the administrative staff that may not have enough accounting knowledge or training for their responsibilities. This was due to change in personnel in the CCF.

Recommendation

We recommend the CCF either start hiring more accounting professionals to fulfill the separation purpose or provide relatively formal training to those administrative staff on a regular basis to ensure the work they are performing is proper and efficient.

Management Response

Financial Consultants have been hired by the City and are working with the CCF to correct the improper segregation of duties, writing policies and procedures in the finance area, and giving their recommendations to the Finance Director for implementation. In addition, recruitment is underway for an Accounting Assistant I with the required skills to assist Finance staff at the CCF. This position will replace a previous Accounting Assistant I that did not have the suitable skills.

Finding Number 3 – Year-End Close

The City does not effectively follow up its formal policies and procedures on the year-end close. As a result, we noted the following:

Transactions for the Chevron projects were not completed and booked during the closing process, although the entries presented to the auditors for posting were done correctly.

Deposits with Central San Joaquin Valley Risk Management Authority remained unchanged from the prior year's balance and not analyzed at year-end.

A deferred revenue balance was not analyzed and updated for a prior year balance.

One accounts receivable accrual for Measure I was not recorded.

One prior year accounts receivable balance was not analyzed and reversed.

Recommendation

We recommend the City enforce its policies and procedures regarding the closing process. A checklist can be developed to assist Finance staff to ensure that all procedures that are part of the closing have been performed. Additionally, we recommend the Finance Department review the close of the books to ensure the books have been closed correctly.

Management Response

Financial consultants have been hired to re-write the current year-end closing procedures which will include an updated check list of all areas involved with year-end closing. The Finance Department staff will follow these new procedures in the future to assure that the year-end books are properly closed. In addition, Finance Department staff is being trained in the area of correct closing procedures. Assigned Finance Department staff will review the year-end trial balance to assure that the proper analysis and recording of the necessary year-end entries have been completed before submission to the external auditor.

Finding Number 4 – Schedule of Federal Expenditures

During our review of the final schedule of federal expenditures, we noted it contained numerous material errors as follows: certain federal award amounts received versus expended were used as total expenditure listings in the schedule and numerous federal expenditures had to be revised due to incorrect source data, which was prepared by a temporary employee who did not have adequate knowledge about how to provide the correct information to be used in the schedule. As a result, the final schedule of federal expenditures contained numerous errors, and the final schedule was not provided to the auditors in a timely manner.

Recommendation

We recommend the City review its policies and procedures and implement a policy to review the schedule of federal expenditures for accuracy, trace each line item to the general ledger, and verify each line item for funding source. We also recommend supervisors review and monitor staff's work.

Management Response

Management is in the process of writing more efficient procedures in relation to the preparation of the schedules of federal expenditures. For the final schedule of federal expenditures, the Finance Department staff did trace each line item to the general ledger and verified each line item for the correct funding source and will continue to do so in the future. The final schedule did balance to the general ledger.

Section III – Federal Award Findings and Questioned Costs

None.

Section IV – A Summary of Prior Year Audit Findings (June 30, 2008) and Current Year Status

Prior Year Financial Statements Audit Findings and Questioned Costs

Finding Number 1 – Bank Reconciliations – Community Correctional Facility (CCF)

During our review of bank reconciliations for the Community Correctional Facility (CCF) for the 2007 audit, we noted the June 30 bank reconciliations had not been prepared correctly. As a result, the June 30, 2007, bank reconciliations contained unreconciled differences that were not resolved at June 30 and carried over to months subsequent. This issue was not resolved in 2008. Subsequent to the audit finding, Finance implemented a policy to have the CCF staff submit monthly bank reconciliations to Finance to review. However, Finance did not receive reconciliations until December 2008. Additionally, we noted credit balances in the fund's asset accounts due to incorrectly preparing the bank reconciliations. The CCF is expecting to hire an individual with accounting knowledge to ensure bank reconciliations are prepared correctly, however this position has not yet been filled.

Recommendation

We recommend the City assign Finance staff to prepare the bank reconciliations on a monthly basis to ensure they are being done timely and correctly. Once the position is filled, the City can delegate this duty back to CCF and continue to review the bank reconciliations on a monthly basis.

Management Response

An Accounting & Budget Analyst is anticipated to be employed by the CCF as of May 1, 2009. His duties will be to complete financial transactions, as well as reconcile bank statements on a monthly basis. The Interim Finance Director will review all transactions and approve the bank reconciliations. In addition, all transactions will be transferred to the City's financial software (MOM) in the near future. This will eliminate any stand alone software packages currently being used. The Interim Finance Director will assist the new Accounting & Budget Analyst in setting up policies and procedures to ensure that all balance sheet line items are reconciled monthly and that the software is set up correctly. This process will be put into place by June 2009.

Current Year Status

Implemented.

Finding Number 2 – Uncollectible Accounts Receivable

The City does not have a written policy that sets a specific dollar limit for obtaining board authorization prior to writing off uncollectible accounts receivable. Consequently, accounts receivable can be written off without board approval for any amount.

Recommendation

We recommend the City write up a policy specifying a dollar amount that is allowed to write off uncollectible accounts receivable in the normal course of performing duties prior to seeking board approval. This policy would benefit the City by increasing the controls over uncollectible accounts receivable and eliminating the possibility of unauthorized write-off of receivables.

Management Response

Policies and procedures for uncollectible accounts receivable specifying a dollar amount limit for city council approval will be written and put into place by July 1, 2009. All accounts receivable will also be reconciled on a monthly basis.

Current Year Status

Policies and procedures have been written during the 2008-2009 fiscal year for accounts receivable write-offs. The City will include a policy to have the City Manager approve any accounts receivable that is to be written off if the amount exceeds \$50,000. The City has decided that the policy should include approval, not at the board level, but at the City Manager level. The City has not written off any accounts receivables for excessive amounts during the fiscal years 2007-2008 and 2008-2009. In the future, proper approvals will be obtained.

Finding Number 3 – Capital Assets

During our testing of capital assets, we noted the following conditions:

- Construction in progress is not being reviewed at year-end. As a result, during our testing of capital assets, we identified several projects that had been completed but were not moved to depreciable capital assets. The completion date for some of the projects dated back to fiscal year 2002.

- The City has not performed a physical inventory in the past five years. In 2007, the City attempted to perform a physical count, but did not complete it.
- The capital assets subsidiary is not reconciled to the general ledger on an annual basis.
- The City has implemented a process to tag all computer related items. The City's CIS Coordinator keeps an inventory list of all items that includes the location, department, model, serial number, tag no., etc. However, this list is not reconciled to the sub-ledger or the general ledger.
- Capital outlay of approximately \$7 million was not capitalized.

Recommendation

We recommend the City review their policies and procedures with regards to capital assets and implement the following:

We recommend the City perform a physical inventory at least once every other year to ensure the City's capital assets still exist, are in good working condition and are still being used. This would also identify any adjustments needed to reconcile the general ledger to the physical count. Upon performing a physical count, the City should ensure that all unused and inoperable equipment is removed from the books to ensure that the general ledger only includes capital assets that are still in use and therefore are true assets to the City. Furthermore, a supervisor should ensure the subsidiary has been reconciled to the general ledger. A worksheet or other support showing the general ledger being reconciled to the subsidiary on an annual basis during closing would ensure the subsidiary has been reconciled. Additionally, this worksheet could require signatures from the person responsible for reconciling and the supervisor's signature signifying approval and review.

Finally, the City should review construction in progress during the year-end close and work together with the City's Engineering department to identify completed projects. All projects that have been completed should be moved to depreciable assets and depreciated as soon as they have been placed in operation.

Management Response

Construction in progress as of June 30, 2008, has been thoroughly reviewed and adjusted accordingly. Policies and procedures will be put into place by the end of Fiscal Year 08-09 to assure that a senior accountant periodically (quarterly) reconciles the capital assets subsidiary ledger and works with departments to prepare the appropriate journal entries to move work in progress capital improvements at completion of the project. In addition, there will be a reconciliation completed of all CIS inventory. An amount has been placed in the upcoming budget to hire temporary employees to conduct a physical inventory and will be completed in the near future.

Current Year Status

Implemented.

Finding Number 4 – Journal Entries

The District does not have a formal written policy regarding journal entries. We noted some journal entries are not reviewed by another individual independent of preparing them.

Recommendation

The City should implement formal procedures regarding the preparation and posting of journal entries. Additionally, an individual independent of preparation should be reviewing journal entries.

Management Response

Formal policies and procedures for the review and approval of all journal entries will be put into place as of April 1, 2009. Senior Accountant entries will be reviewed by the Assistant Finance Director and any journal entries prepared by the Assistant Finance Director will be formally approved by the Finance Director.

Current Year Status

Implemented.

Finding Number 5 – Bank Reconciliations – General Account

During our review and understanding of controls over bank reconciliations, we noted a responsible individual, independent of preparing the bank reconciliation for the City's general account, is not reviewing the monthly bank reconciliations.

Recommendation

The City should implement procedures to ensure a responsible individual, independent of preparing bank reconciliations, review the City's general account to ensure it is being prepared correctly and all reconciling items are valid.

Management Response

Policies and procedures will be put into place as of April 1, 2009, to assure that the Assistant Finance Director of Finance Director reviews and formally approves the bank reconciliation for all bank accounts, fiscal agent statements and any other related cash accounts.

Current Year Status

Implemented.

Finding Number 6 – Prior Year Findings

The City has not implemented a corrective action plan to remedy all prior year findings.

Recommendation

We recommend the City take immediate action to implement a plan to remedy past identified deficiencies.

Management Response

All prior year findings will be addressed this current fiscal year and will be completed by the beginning of the upcoming fiscal year. The Finance Department has not been fully staffed in over a year and a half. A plan is being put into place to hire adequate and competent staff and train the current ones.

Current Year Status

The City has implemented recommendations for most of the prior year findings.

Finding Number 7 – Year-End Close

The City does not have formal written policies and procedures on the year-end close. As a result, we noted the following:

- Construction in progress was not reviewed to ensure projects that were completed were moved to depreciable assets (refer to Finding Number 3 for further details).
- Several journal entries from the 2007 audit were recorded twice.
- Bank reconciliations were not prepared in a timely manner (refer to Finding Number 1 for further details).
- Capital asset sub-ledger was not reconciled to the general ledger.

Recommendation

We recommend the City write up formal written policies and procedures regarding the closing process. A schedule could be developed to assist Finance in ensuring all procedures that are part of the closing have been performed. Additionally, we recommend the Finance Director review the close of the books to ensure the books have been closed correctly.

Management Response

Formal Policies and Procedures will be written and will be implemented during the fiscal year 08-09. A list of all will be distributed to staff and a period check by the Assistant Finance Director and Finance Director will be performed to assure that their lists are completed timely and accurately.

Current Year Status

Not fully implemented. Please see Current Year Finding Number 3.

Finding Number 8 – Cash Receipts – Golf Course

During our review and understanding of controls over receipts for the Golf Course, we noted cash collected during the day is kept in an unlocked box in one of the counter drawers.

Recommendation

We recommend the City review their policies and procedures over the Golf Course and implement procedures to ensure all cash receipts collected during the day be placed in a locked drawer until they are deposited.

Management Response

The Assistant Finance Director will work with the Golf Course staff to set up internal control procedures and train staff to keep all receipts in a locked container. A credit card system was implemented March 20, 2009, so that collections for services and supplies will not be collected in cash only. This will eliminate the amount of cash on hand.

Current Year Status

Implemented.

Finding Number 9 – Separation of Duties – Community Correctional Facility (CCF)

During our review and walkthroughs over key controls for the CCF, we noted the individual responsible for posting receipts is also responsible for custody of the assets and for preparing the bank deposit.

Recommendation

We recommend the City implement procedures whereby the responsibility for custody of receipts, posting receipts and preparing the bank deposit be performed by separate individuals to strengthen controls.

Management Response

The Facility Manager has recently assigned duties differently amongst employees to assure that there is segregation of duties. When the Interim Finance Director works on the site to set up new policies and procedures for all financial transactions, she will review the duties to assure the segregation of duties complies with internal control practices.

Current Year Status

Implemented.

Prior Year Federal Awards Findings and Questioned Costs

Finding Number 2008–1

Program: Community Development Block Grants (CDBG)

CDDFA No. 14.219

Federal Agencies: U.S. Department of Housing and Urban Development

Grant Award: CDBG Small Cities Program – Freeze Grant

Award Year: Fiscal Year 2008

Compliance Requirement: Allowable Costs/Cost Principles

Questioned Costs: \$0

Criteria

The City's application for eligibility for receiving freeze grants is to demonstrate that you were a victim of the January 2007 freeze, a resident of Delano, and that gross annual income does not exceed a household amount based on the family size.

Condition

We tested a sample of 12 transactions, which were for freeze disaster assistance. Out of the 12 transactions, we noted 8 did not include in the supporting documentation regarding household income.

Effect

We were unable to verify whether the City made the verification.

Recommendation

We recommend the City keep adequate documentation in the files to support the family size and income verifications.

Management Response/Corrective Action Plan

The Interim Finance Director will report to the RDA and Economic Development Director this finding so that she can have her staff assure that the proper documentation for household income and family size and any other required eligibility information be kept in individual client's files.

Current Year Status

No similar finding was noted in the current year.