

**COUNTY OF PLUMAS,
CALIFORNIA**



**SINGLE AUDIT ACT
REPORTS AND SCHEDULES
FOR THE YEAR ENDED
JUNE 30, 2013**

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COUNTY OF PLUMAS
Single Audit Act
For the Year Ended June 30, 2013

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

Board of Supervisors and the Grand Jury
County of Plumas
Quincy, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Plumas, California, (County) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated February 21, 2014.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and 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 deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a material weakness. (13-FS-01)

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 deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency. (13-FS-02)

Board of Supervisors and the Grand Jury
County of Plumas
Quincy, California

Compliance and Other Matters

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

County's Response to Findings

The County's response to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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



Smith & Newell CPAs

Yuba City, California

February 21, 2014

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON 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 Plumas
Quincy, California

Report on Compliance for Each Major Federal Program

We have audited the County of Plumas, California's (County) compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2013. The County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

To the Board of Supervisors and Grand Jury
County of Plumas
Quincy, California

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the County, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

To the Board of Supervisors and Grand Jury
County of Plumas
Quincy, California

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

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the County of Plumas, California, as of and for the year ended June 30, 2013 and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated February 21, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Smith & Newell, CPAs
Yuba City, California
February 21, 2014

COUNTY OF PLUMAS
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

<u>Federal Program/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor Number</u>	<u>Federal Expenditures</u>
U.S. Department of Agriculture			
Passed through State Department of Food and Agriculture:			
Plant and Animal Disease, Pest Control, and Animal Care	10.025	11-0245-SF	\$ 15,000
Plant and Animal Disease, Pest Control, and Animal Care	10.025	12-0349-SF	<u>13,707</u>
Subtotal 10.025			<u>28,707</u>
Passed through State Department of Social Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	CEC-32-2013	95,236
Passed through National Forest Service:			
Cooperative Forestry Assistance	10.664	09-DG-11051150-051	30,736
Cooperative Forestry Assistance	10.664	11-LE-11051360-206	<u>59,742</u>
Subtotal 10.664			<u>90,478</u>
Passed through State Controller's Office:			
Schools and Roads - Grants to States	10.665	1100235A	<u>1,926,851</u>
Total U.S. Department of Agriculture			<u>2,141,272</u>
U.S. Department of Housing and Urban Development			
Passed through State Department of Health Services:			
Housing Opportunities for Persons with AIDS	14.241	10-10141	<u>30,878</u>
Total U.S. Department of Housing and Urban Development			<u>30,878</u>
U.S. Department of the Interior			
Direct Program:			
Payments in Lieu of Taxes	15.226	-	<u>389,158</u>
Total U.S. Department of the Interior			<u>389,158</u>
U.S. Department of Justice			
Direct Program:			
Drug Court Discretionary Grant Program	16.585	-	44,789
State Criminal Alien Assistance Program	16.606	-	5,832
ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government	16.804	-	19,302
Passed through Board of State and Community Corrections:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	BSCC 600-12	88,129
Passed through State Emergency Management Agency:			
Crime Victim Assistance	16.575	VW1220 0320	44,198
ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government	16.804	ZP 0901 0320	<u>26,635</u>
Total U.S. Department of Justice			<u>228,885</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

COUNTY OF PLUMAS
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

<u>Federal Program/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor Number</u>	<u>Federal Expenditures</u>
U.S. Department of Transportation			
Passed through Federal Aviation Administration:			
Airport Improvement Program	20.106	AIP 3-06-0020-09	\$ 104,720
Airport Improvement Program	20.106	AIP 3-06-0040-14	222,986
Airport Improvement Program	20.106	AIP 3-06-0040-15	156,461
Airport Improvement Program	20.106	AIP 3-06-0191-09	83,877
Airport Improvement Program	20.106	AIP 3-06-0191-10	<u>155,430</u>
Subtotal 20.106			<u>723,474</u>
Passed through State Department of Transportation:			
Highway Planning and Construction	20.205	BRLO-5909(029)	35,239
Highway Planning and Construction	20.205	BRLO-5909(079)	70,863
Highway Planning and Construction	20.205	BRLO-5909(080)	85,004
Highway Planning and Construction	20.205	BRLO-5909(081)	142,132
Highway Planning and Construction	20.205	BRLO-5909(082)	248,488
Highway Planning and Construction	20.205	BRLO-5909(083)	36,115
Highway Planning and Construction	20.205	BRLO-5909(092)	5,964
Highway Planning and Construction	20.205	BRLO-5909(093)	8,124
Highway Planning and Construction	20.205	BRLO-5909(094)	12,135
Highway Planning and Construction	20.205	BRLO-5909(095)	6,438
Highway Planning and Construction	20.205	BRLO-5909(096)	14,378
Highway Planning and Construction	20.205	BRLO-5909(097)	4,970
Highway Planning and Construction	20.205	BRLO-5909(100)	620
Highway Planning and Construction	20.205	BRLO-5909(101)	4
Highway Planning and Construction	20.205	HRRRL-5909(084)	<u>13,674</u>
Subtotal 20.205			<u>684,148</u>
Total U.S. Department of Transportation			<u>1,407,622</u>
U.S. Department of Health and Human Services			
Direct Program:			
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	-	292,370
Passed through State Department of Social Services:			
Guardianship Assistance	93.090	CEC-32-2013	3,040
Promoting Safe and Stable Families	93.556	CEC-32-2013	10,515
Stephanie Tubbs Jones Child Welfare Services Program	93.645	CEC-32-2013	21,569
Social Services Block Grant	93.667	CEC-32-2013	70,164
Chafee Foster Care Independence Program	93.674	CEC-32-2013	21,203
Temporary Assistance for Needy Families	93.558	CEC-32-2013	485,482
Temporary Assistance for Needy Families	93.558	800-32-2013	<u>317,294</u>
Subtotal 93.558			<u>802,776</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

COUNTY OF PLUMAS
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

<u>Federal Program/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor Number</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services (Continued)			
Passed through State Department of Social Services (Continued):			
Foster Care - Title IV-E	93.658	CEC-32-2013	\$ 501,034
Foster Care - Title IV-E	93.658	800-32-2013	<u>351,726</u>
Subtotal 93.658			<u>852,760</u>
Adoption Assistance	93.659	CEC-32-2013	25,610
Adoption Assistance	93.659	800-32-2013	<u>288,931</u>
Subtotal 93.659			<u>314,541</u>
Passed through State Department of Child Support Services:			
Child Support Enforcement	93.563	Plumas	477,305
Passed through State Department of Aging:			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	IIC-045-12	40,244
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	IIC-045-12	145,934
Nutrition Services Incentive Program	93.053	IIC-045-12	30,718
Passed through State Department of Health Services:			
Medical Assistance Program	93.778	07-65028	178,343
Medical Assistance Program	93.778	CCS	48,769
Medical Assistance Program	93.778	HCPCFC	17,694
Medical Assistance Program	93.778	CHDP	<u>124,283</u>
Subtotal 93.778			<u>369,089</u>
Childhood Lead Poisoning Prevention Projects - State and Local			
Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	11-1040	19,990
Children's Health Insurance Program	93.767	CSS	6,775
HIV Care Formula Grants	93.917	10-95280	176,400
Maternal and Child Health Services Block Grant to the States	93.994	MCH	147,991
Passed through State Department of Emergency Services:			
Public Health Emergency Preparedness	93.069	EPO 12-32	101,770
National Bioterrorism Hospital Preparedness Program	93.889	EPO 12-32	133,167
Passed through State Department of Mental Health:			
Block Grants for Community Mental Health Services	93.958	32	138,968
Passed through State Department of Alcohol and Drug Abuse Programs:			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	10-NNA32	<u>369,735</u>
Total U.S. Department of Health & Human Services			<u>4,547,024</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

COUNTY OF PLUMAS
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

<u>Federal Program/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor Number</u>	<u>Federal Expenditures</u>
Department of Homeland Security			
Passed through State Emergency Management Agency:			
Emergency Management Performance Grants	97.042	2012-027	\$ 118,407
Interoperable Emergency Communications	97.055	2010-0016	29,083
Homeland Security Grant Program	97.067	2010-0085	117,376
Homeland Security Grant Program	97.067	2011-0077	16,787
Homeland Security Grant Program	97.067	2012-00123	<u>20,740</u>
Subtotal 97.067			<u>154,903</u>
Total Department of Homeland Security			<u>302,393</u>
Total			<u><u>\$ 9,047,232</u></u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

COUNTY OF PLUMAS
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

1. REPORTING ENTITY

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

2. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied. The accompanying Schedule of Expenditures of Federal Awards, is presented using the modified accrual basis of accounting for grants accounted for in the governmental fund types and the accrual basis of accounting for grants accounted for in the proprietary fund types, as described in the notes to the County financial statements.

3. RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree or can be reconciled with amounts reported in the related federal financial assistance reports.

4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree or can be reconciled with amounts reported in the County's basic financial statements.

5. 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.

6. AMERICAN RECOVERY AND REINVESTMENT ACT EXPENDITURES

In accordance with requirements under OMB Circular A-133, expenditures for federal awards under the American Recovery and Reinvestment Act of 2009 (ARRA) are separately identified by inclusion of the prefix "ARRA" on the Schedule of Expenditures of Federal Awards.

COUNTY OF PLUMAS
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

7. 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>JAG Cluster</u>		
16.738	Edward Byrne Memorial Justice Assistance Program	\$ 88,129
16.804	ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government	45,937
	Total	<u>\$ 134,066</u>
<u>Aging Cluster</u>		
93.044	Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	\$ 40,244
93.045	Special Programs for the Aging - Title III, Part C - Nutrition Services	145,934
93.053	Nutrition Services Incentive Program	30,718
	Total	<u>\$ 216,896</u>

8. CALIFORNIA EMERGENCY MANAGEMENT AGENCY GRANT EXPENDITURES

The following schedule represents expenditures for U.S. Department of Justice grants passed through the State of California, Emergency Management Agency (CalEMA), as well as CalEMA funded grant expenditures for the year ended June 30, 2013. This information is included in the County's single audit report at the request of CalEMA.

<u>Program</u>	<u>Expenditures Claimed</u>			<u>Share of Expenditures Current Year</u>		
	<u>For the Period Through June 30, 2012</u>	<u>For the Year Through June 30, 2013</u>	<u>Cumulative As of June 30, 2013</u>	<u>Federal Share</u>	<u>State Share</u>	<u>County Share</u>
<u>VW12200320 - Violence Against Women</u>						
Personal services	\$ -	\$ 73,943	\$ 73,943	\$ 43,348	\$ 30,595	\$ -
Operating expenses	-	17,992	17,992	850	17,142	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ -</u>	<u>\$ 91,935</u>	<u>\$ 91,935</u>	<u>\$ 44,198</u>	<u>\$ 47,737</u>	<u>\$ -</u>
<u>ZP09010320 - Adult High Risk Offender - Intensive Supervision</u>						
Personal services	\$ 15,267	\$ 6,075	\$ 21,342	\$ 6,075	\$ -	\$ -
Operating expenses	28,416	20,560	48,976	20,560	-	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ 43,683</u>	<u>\$ 26,635</u>	<u>\$ 70,318</u>	<u>\$ 26,635</u>	<u>\$ -</u>	<u>\$ -</u>
<u>VB08060320 - Vertical Prosecution</u>						
Personal services	\$ 205,373	\$ 2,129	\$ 207,502	\$ -	\$ 2,129	\$ -
Operating expenses	-	268	268	-	268	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ 205,373</u>	<u>\$ 2,397</u>	<u>\$ 207,770</u>	<u>\$ -</u>	<u>\$ 2,397</u>	<u>\$ -</u>

COUNTY OF PLUMAS
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

9. CALIFORNIA DEPARTMENT OF AGING (CDA) REPORTING REQUIREMENTS

The terms and conditions of contracts with CDA require agencies to display state-funded expenditures discretely along with the related federal expenditures. For the fiscal year ended June 30, 2013, the County did not receive any CDA state funded grants. The following schedule is presented to comply with these requirements.

Program	Federal CFDA Number	Total Expenditures	Accrual Adjustments	Confirmed Amount
IIIB Transportation	93.044	\$ 36,244	\$ -	\$ 36,244
IIIB Transportation One Time Only	93.044	4,000	-	4,000
IIIC-1 Congregate	93.045	82,132	-	82,132
IIIC-1 Congregate One Time Only	93.045	2,664	-	2,664
IIIC-1 Congregate Nutrition Services Incentive Program	93.053	18,334	-	18,334
IIIC-2 Home Delivered Meals	92.045	56,406	-	56,406
IIIC-2 Home Delivered Meals One Time Only	93.045	4,732	-	4,732
IIIC-2 Home Delivered Meals, Nutrition Services Incentive	93.053	12,384	-	12,384
Total Expenditures of CDA Federal Awards		<u>\$ 216,896</u>	<u>\$ -</u>	<u>\$ 216,896</u>

10. CALIFORNIA DEPARTMENT OF INSURANCE WORKERS COMPENSATION INSURANCE FRAUD REPORTING REQUIREMENTS

The following represents expenditures for the California Department of Insurance Workers Compensation Insurance Fraud Grant #70304 for the period ended June 30, 2013.

Program	Expenditures Claimed			Share of Expenditures		
	For the Year Ended June 30, 2012	For the Year Ended June 30, 2013	Cumulative As of June 30, 2013	Federal Share	State Share	County Share
Workers Compensation Insurance Fraud						
Personal services	\$ 5,069	\$ -	\$ 5,069	\$ -	\$ 5,069	\$ -
Operating expenses	931	-	931	-	931	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ 6,000</u>	<u>\$ -</u>	<u>\$ 6,000</u>	<u>\$ -</u>	<u>\$ 6,000</u>	<u>\$ -</u>

COUNTY OF PLUMAS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements	<u>Status</u>
1. Type of auditor's report issued	Unqualified
2. Internal controls over financial reporting:	
a. Material weaknesses identified?	Yes
b. Significant deficiencies identified not considered to be material weaknesses?	Yes
3. Noncompliance material to financial statements noted?	No
 Federal Awards	
1. Internal control over major programs:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified not considered to be material weaknesses?	No
2. Type of auditor's report issued on compliance for major programs:	Unqualified
3. Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 Section 510(a)?	No
4. Identification of major programs:	
10.665 Schools and Roads - Grants to States	
16.738 Edward Byrne Memorial Justice Assistance Grant Program	
16.804 ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Governments	
93.558 Temporary Assistance for Needy Families	
93.658 Foster Care - Title IV-E	
93.778 Medical Assistance Program	
93.918 Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	
93.959 Block Grants for Prevention and Treatment of Substance Abuse	
5. Dollar threshold used to distinguish between Type A and Type B programs?	\$300,000
6. Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 530?	No

COUNTY OF PLUMAS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013

SECTION II - FINANCIAL STATEMENT FINDINGS

Capital Assets Prior Period Adjustment	13-FS-01
Capital Asset Disposal	13-FS-02

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None

COUNTY OF PLUMAS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013

13-FS-01 Capital Assets Prior Period Adjustment (Material Weakness)

Condition

During our audit we noted that the County had adjusted capital assets for construction in progress and infrastructure assets acquired in a prior year.

Cause

The County did not record the road and bridge projects in the year of acquisition.

Criteria

Good internal control requires that capital asset acquisitions be properly documented and that acquired assets be added to the capital assets schedule at the date of acquisition and that infrastructure assets be depreciated.

Effect of Condition

Capital assets were understated and required adjustment.

Recommendation

We recommend that the County review the capital assets schedules to ensure that all acquisitions and dispositions are included.

Corrective Action Plan

The road and bridge projects referred to in this finding are assets that were being constructed over a number of years prior to fiscal year 2012/2013, and were completed during 2012/2013. Often larger projects, such as infrastructure roads and bridges, take several years to complete. The construction costs are accumulated in the fixed assets module, but the assets are not placed on the depreciation schedule until they are completed.

Initially when the depreciation schedule was created for 2012/2013, staff members in the Auditor/Controller's office did not add the full cost of the asset accumulated during the entire construction process, but added only the current year costs so that total fixed assets and depreciation were understated. As soon as the error was discovered, the asset accounts were adjusted and the depreciation schedule was rerun. The Auditor's staff has received training, and also processed the corrections, thereby reducing the risk of future errors involving construction in progress and completed assets.

13-FS-02 Capital Asset Disposals (Significant Deficiency)

Condition

We noted during the current year the Transit fund identified two buses listed on the depreciation schedule that had been disposed of in a prior year.

COUNTY OF PLUMAS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2013

13-FS-02 Capital Asset Disposals (Significant Deficiency) (Continued)

Cause

The Transit fund did not obtain appropriate authorization and submit it to the Auditor-Controller to remove the assets from the depreciation schedule at the date of disposal.

Criteria

The County's capital asset policy requires that each department complete a fixed asset change form, have it signed by the department head and submit it to the Auditor-Controller's office when an asset is disposed. In addition, the Auditor-Controller's office sends a listing of fixed assets by department to each department annually and the department is responsible for ensuring that each asset listed is correct and if not to complete the appropriate paperwork for correction.

Effect of Condition

Equipment was disposed of and proper documentation had not been submitted to the Auditor-Controller to have the assets removed from the depreciation schedule.

Recommendation

We recommend that the Transit fund complete the necessary paperwork and submit it to the Board of Supervisors for approval to remove the disposed assets from the depreciation schedule. We further recommend that future capital assets disposals be documented properly and submitted to the Auditor-Controller in a timely manner.

Corrective Action Plan

The Plumas County Transportation Commission has reviewed the asset policies and procedures and discussed with staff so that the proper procedures are followed in the future. PCTC has revised the Asset list and is working with the County Auditor to update and maintain records for the Transit buses.

COUNTY OF PLUMAS
Schedule of Prior Year Findings and Questioned Costs
For the Year Ended June 30, 2013

<u>Audit Reference</u>	<u>Status of Prior Year Audit Recommendations</u>
12-FS-01	<p>Capital Assets Prior Period Adjustment</p> <p>Recommendation</p> <p>We recommend that the County ensure that all capital assets are included on the depreciation schedules and depreciated over their estimated useful lives.</p> <p>Status</p> <p>Not Implemented</p>
12-FS-02	<p>Capital Asset Disposals</p> <p>Recommendation</p> <p>We recommend that the Transit fund complete the necessary paperwork and submit it to the Board of Supervisors for approval to remove the disposed assets from the depreciation schedule. We further recommend that future capital assets disposals be documented properly and submitted to the Auditor-Controller in a timely manner.</p> <p>Status</p> <p>Not Implemented</p>

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