

**COUNTY OF PLUMAS,
CALIFORNIA**



**SINGLE AUDIT ACT
REPORTS AND SCHEDULES
FOR THE YEAR ENDED
JUNE 30, 2012**

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COUNTY OF PLUMAS
Single Audit Act
For the Year Ended June 30, 2012

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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 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, 2012, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 6, 2013. 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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs we identified certain deficiencies in internal control over financial reporting that we consider 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 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. (12-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. (12-FS-02)

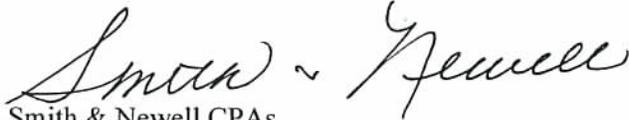
Board of Supervisors and the Grand Jury
County of Plumas
Quincy, California

Compliance and Other Matters

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

The County's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the County's response, and accordingly, we express no opinion on it.

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

A handwritten signature in cursive script, appearing to read "Smith & Newell", is written over the printed name.

Smith & Newell CPAs
Yuba City, California
March 6, 2013

**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

Compliance

We have audited County of Plumas, California's 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, 2012. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, the County complied, in all material respects, with the 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, 2012.

Internal Control Over Compliance

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

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

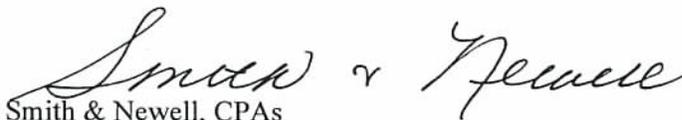
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of County of Plumas, California, as of and for the year ended June 30, 2012, and have issued our report thereon dated March 6, 2013, which contained an unqualified opinion on those financial statements. Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise the County's 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 financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

The purpose of this report is solely to describe the scope of our testing of compliance with the types of compliance requirements applicable to each of the County's major programs and our testing of internal control over compliance and the results of our testing, and to provide an opinion on the County's compliance but not to provide an opinion on the effectiveness of the County's internal control over compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the County's compliance with requirements applicable to each major program and its internal control over compliance. Accordingly, this report is not suitable for any other purpose.


Smith & Newell, CPAs
Yuba City, California
March 6, 2013

COUNTY OF PLUMAS
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

<u>Federal Program/Pass Through Program Title</u>	<u>CFDA Number</u>	<u>Federal Identification/State Pass-Through Grantor Number</u>	<u>Disbursements/ Expenditures</u>
U.S. Department of Agriculture			
Passed through State Department of Social Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	CEC-32-2012	\$ 133,072
Passed through National Forest Service:			
Cooperative Forestry Assistance	10.664	09-DG-11051150-051	44,571
Cooperative Forestry Assistance	10.664	11-LE-11051360-206	49,028
Subtotal 10.664			<u>93,599</u>
Passed through State Controller's Office:			
Schools and Roads - Grants to States	10.665	1100235A	2,151,568
Passed through State Department of Food and Agriculture:			
ARRA - Recovery Act of 2009: Wildland Fire Management	10.688	09-0653	7,354
Total U.S. Department of Agriculture			<u>2,385,593</u>
U.S. Department of Commerce			
Passed through State Emergency Management Agency:			
Public Safety Interoperable Communications Grant Program	11.555	2007-0008	407,998
Total Department of Commerce			<u>407,998</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	32,637
Total Department of Housing and Urban Development			<u>32,637</u>
U.S. Department of the Interior			
Direct Program:			
Payments in Lieu of Taxes	15.226	-	398,336
Total Department of the Interior			<u>398,336</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, 2012

<u>Federal Program/Pass Through Program Title</u>	<u>CFDA Number</u>	<u>Federal Identification/State Pass-Through Grantor Number</u>	<u>Disbursements/Expenditures</u>
U.S. Department of Justice			
Direct Program:			
Drug Court Discretionary Grant Program	16.585	2011-41	\$ 49,503
State Criminal Alien Assistance Program	16.606	-	818
Bulletproof Vest Partnership Program	16.607	-	7,350
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2010-DJ-BX-0993	11,509
ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government	16.804	2009-SB-B9-0329	14,931
Passed through State Emergency Management Agency:			
Crime Victim Assistance	16.575	VW 1119 0320	50,352
Edward Byrne Memorial Justice Assistance Grant Program	16.738	DC 1112 0320	109,372
ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government	16.804	ZO 0901 0320	41,074
ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government	16.804	ZP 0901 0320	14,469
Subtotal 16.804			<u>55,543</u>
Total U.S. Department of Justice			<u>299,378</u>
U.S. Department of Transportation			
Passed through Federal Aviation Administration:			
Airport Improvement Program	20.106	AIP 3-06-0020-08	42,261
Airport Improvement Program	20.106	AIP 3-06-0020-09	244,034
Airport Improvement Program	20.106	AIP 3-06-0040-12	46,637
Airport Improvement Program	20.106	AIP 3-06-0040-13	29,752
Airport Improvement Program	20.106	AIP 3-06-0040-14	1,497
Airport Improvement Program	20.106	AIP 3-06-0191-08	45,567
Airport Improvement Program	20.106	AIP 3-06-0191-09	295,327
Subtotal 20.106			<u>705,075</u>
Passed through State Department of Transportation:			
Highway Planning and Construction	20.205	BRLO-5909(029)	102,476
Highway Planning and Construction	20.205	BRLO-5909(079)	141,966
Highway Planning and Construction	20.205	BRLO-5909(080)	86,834
Highway Planning and Construction	20.205	BRLO-5909(081)	199,481
Highway Planning and Construction	20.205	BRLO-5909(082)	206,614
Highway Planning and Construction	20.205	BRLO-5909(083)	247,582
Highway Planning and Construction	20.205	BRLO-5909(092)	1,659
Highway Planning and Construction	20.205	BRLO-5909(095)	3,477
Highway Planning and Construction	20.205	BRLO-5909(096)	4,802
Highway Planning and Construction	20.205	BRLO-5909(097)	2,996
Highway Planning and Construction	20.205	HRRRL-5909(084)	14,775
Subtotal 20.205			<u>1,012,662</u>
Total U.S. Department of Transportation			<u>1,717,737</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, 2012

<u>Federal Program/Pass Through Program Title</u>	<u>CFDA Number</u>	<u>Federal Identification/State Pass-Through Grantor Number</u>	<u>Disbursements/Expenditures</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	H76 HA 01696	\$ 258,837
Passed through State Department of Social Services:			
Guardianship Assistance	93.090	CEC-32-2012	1,821
Promoting Safe and Stable Families	93.556	CEC-32-2012	11,355
Community-Based Child Abuse Prevention Grants	93.590	020123KO	27,706
Stephanie Tubbs Jones Child Welfare Services Program	93.645	CEC-32-2012	26,000
Social Services Block Grant	93.667	CEC-32-2012	114,192
Chafee Foster Care Independence Program	93.674	CEC-32-2012	21,352
Temporary Assistance for Needy Families	93.558	CEC-32-2012	406,461
Temporary Assistance for Needy Families	93.558	800-32-2012	540,351
Subtotal 93.558			946,812
Foster Care - Title IV-E	93.658	CEC-32-2012	464,202
Foster Care - Title IV-E	93.658	800-32-2012	390,758
Subtotal 93.658			854,960
Adoption Assistance	93.659	CEC-32-2012	13,275
Adoption Assistance	93.659	800-32-2012	187,279
Subtotal 93.659			200,554
Passed through State Department of Child Support Services:			
Child Support Enforcement	93.563	Plumas	462,092
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	38,627
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	IIC-045-12	148,507
Nutrition Services Incentive Program	93.053	IIC-045-12	28,454
Passed through State Department of Health Services:			
Medical Assistance Program	93.778	07-65028	254,205
Medical Assistance Program	93.778	CHDP	125,170
Subtotal 93.778			379,375
Childhood Lead Poisoning Prevention Projects - State and Local			
Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	11-1040	19,828
State Children's Insurance Program	93.767	CSS	51,517
HIV Care Formula Grants	93.917	10-95280	192,712

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, 2012

<u>Federal Program/Pass Through Program Title</u>	<u>CFDA Number</u>	<u>Federal Identification/State Pass-Through Grantor Number</u>	<u>Disbursements/ Expenditures</u>
U.S. Department of Health and Human Services (Continued)			
Passed through State Department of Health Services (Continued):			
Maternal and Child Health Services Block Grant to the States	93.994	MCH	\$ 141,202
Maternal and Child Health Services Block Grant to the States	93.994	Title XIX	<u>13,708</u>
Subtotal 93.994			<u>154,910</u>
Passed through State Department of Emergency Services:			
Public Health Emergency Preparedness	93.069	EPO 11-32	88,741
National Bioterrorism Hospital Preparedness Program	93.889	EPO 11-32	141,327
Passed through State Department of Mental Health:			
Block Grants for Community Mental Health Services	93.958	32	186,059
Passed through State Department of Alcohol and Drug Abuse Programs:			
Block Grants for the Prevention and Treatment of Substance Abuse	93.959	10-NNA32	<u>187,634</u>
Total U.S. Department of Health & Human Services			<u>4,543,372</u>
Department of Homeland Security			
Passed through State Emergency Management Agency:			
State Domestic Preparedness Equipment Support Program (State Homeland Security Grant Program)	97.004	2009-0019	140,393
Emergency Management Performance Grants	97.042	2009-15	55,467
Homeland Security Grant Program	97.067	2010-0085	<u>23,495</u>
Total Department of Homeland Security			<u>219,355</u>
Total Federal Financial Assistance			<u>\$ 10,004,406</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, 2012

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 generally 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 City financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in , or used in the preparation of the financial statements.

3. RELATIONSHIP TO FINANCIAL STATEMENTS

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree, in all material respects, to amounts reported within the County's financial statements, federal award revenues are reported principally in the County's financial statements as inter governmental revenue in the General and Special Revenue Funds.

4. PASS -THROUGH ENTITIES' IDENTIFYING NUMBER

When federal awards were received form a pass-through entity, the Schedule of Expenditures of Federal Awards shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the County determined that no identifying number is assigned for the program or the County was unable to obtain an identifying number from the pass-through entity.

5. 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, 2012

6. PROGRAM CLUSTERS

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

<u>Federal CFDA</u>	<u>Program Title</u>	<u>Federal Expenditures</u>
<u>JAG Cluster</u>		
16.738	Edward Byrne Memorial Justice Assistance Program	\$ 120,881
16.804	ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government	70,474
	Total	<u>\$ 191,355</u>
<u>Aging Cluster</u>		
93.044	Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	\$ 38,627
93.045	Special Programs for the Aging - Title III, Part C - Nutrition Services	148,507
93.053	Nutrition Services Incentive Program	28,454
	Total	<u>\$ 215,588</u>

7. 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, 2012. 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, 2011</u>	<u>For the Year Through June 30, 2012</u>	<u>Cumulative As of June 30, 2012</u>	<u>Federal Share</u>	<u>State Share</u>	<u>County Share</u>
<u>VW11190320 - Violence Against Women</u>						
Personal services	\$ -	\$ 108,932	\$ 108,932	\$ 48,792	\$ 60,140	\$ -
Operating expenses	-	3,538	3,538	1,560	1,978	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ -</u>	<u>\$ 112,470</u>	<u>\$ 112,470</u>	<u>\$ 50,352</u>	<u>\$ 62,118</u>	<u>\$ -</u>
<u>DC11120320 - Anti-Drug Enforcement</u>						
Personal services	\$ -	\$ 62,386	\$ 62,386	\$ 62,386	\$ -	\$ -
Operating expenses	-	46,986	46,986	46,986	-	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ -</u>	<u>\$ 109,372</u>	<u>\$ 109,372</u>	<u>\$ 109,372</u>	<u>\$ -</u>	<u>\$ -</u>
<u>ZO09010320 - JAG - OTP</u>						
Personal services	\$ 85,136	\$ 31,039	\$ 116,175	\$ 31,039	\$ -	\$ -
Operating expenses	6,892	10,035	16,927	10,035	-	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ 92,028</u>	<u>\$ 41,074</u>	<u>\$ 133,102</u>	<u>\$ 41,074</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF PLUMAS
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

**7. CALIFORNIA EMERGENCY MANAGEMENT AGENCY GRANT EXPENDITURES
(CONTINUED)**

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2011	For the Year Through June 30, 2012	Cumulative As of June 30, 2012	Federal Share	State Share	County Share
<u>ZP09010320 - Adult High Risk Offender - Intensive Supervision</u>						
Personal services	\$ 6,875	\$ 8,392	\$ 15,267	\$ 8,392	\$ -	\$ -
Operating expenses	22,339	6,077	28,416	6,077	-	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ 29,214</u>	<u>\$ 14,469</u>	<u>\$ 43,683</u>	<u>\$ 14,469</u>	<u>\$ -</u>	<u>\$ -</u>
<u>VB08060320 - Vertical Prosecution</u>						
Personal services	\$ 170,266	\$ 35,107	\$ 205,373	\$ -	\$ 35,107	\$ -
Operating expenses	-	-	-	-	-	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ 170,266</u>	<u>\$ 35,107</u>	<u>\$ 205,373</u>	<u>\$ -</u>	<u>\$ 35,107</u>	<u>\$ -</u>

8. 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, 2012, 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	\$ 38,627	\$ -	\$ 38,627
IIIC-1 Congregate	93.045	87,698	-	87,698
IIIC-1 Congregate One Time Only	93.045	1,498	-	1,498
IIIC-1 Congregate Nutrition Services Incentive Program	93.053	17,555	-	17,555
IIIC-2 Home Delivered Meals	92.045	58,377	-	58,377
IIIC-2 Home Delivered Meals One Time Only	93.045	934	-	934
IIIC-2 Home Delivered Meals, Nutrition Services Incentive	93.053	<u>10,899</u>	<u>-</u>	<u>10,899</u>
Total Expenditures of CDA Federal Awards		<u>\$ 215,588</u>	<u>\$ -</u>	<u>\$ 215,588</u>

COUNTY OF PLUMAS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2012

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:	
All major programs	Unqualified
3. Any audit findings disclosed including those that are required to be reported in accordance with OMB Circular A-133 Section 510(a)?	No
4. Identification of major programs:	
10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	
10.665 Schools and Roads - Grants to States	
11.555 Public Safety Interoperable Communications Grant Program	
15.226 Payments in Lieu of Taxes	
20.106 Airport Improvement Program	
93.558 Temporary Assistance for Needy Families	
93.563 Child Support Enforcement	
93.658 Foster Care - Title IV-E	
93.659 Adoption Assistance	
5. Dollar threshold used to distinguish between Type A and Type B programs?	\$300,132

COUNTY OF PLUMAS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2012

I. SUMMARY OF AUDITOR'S RESULTS (CONTINUED)

6. Auditee qualified as a low-risk auditee under OMB
Circular A-133, Section 530? Yes

II. FINANCIAL STATEMENT FINDINGS

- Capital Assets Prior Period Adjustment 12-FS-01
Capital Asset Disposal 12-FS-02

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None

COUNTY OF PLUMAS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2012

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

Condition

During our audit we noted that the County recorded a prior period adjustment of \$618,237 in the Solid Waste Planning and Operations fund to correct capital assets that had not been capitalized in prior years.

Cause

The County identified capital assets that had been expensed in prior years that should have been capitalized.

Criteria

The County's Capitalization Policy requires that assets with a cost of more than \$1,500 and an estimated useful life of more than five years be capitalized and depreciated over the asset's estimated useful life.

Effect of Condition

A prior period adjustment of \$618,237 was required to record the cost and accumulated depreciation of the assets, \$1,158,107 and \$539,870 respectively, in the Solid Waste Planning and Operations fund.

Recommendation

We recommend that the County ensure that all capital assets are included on the depreciation schedules and depreciated over their estimated useful lives.

Corrective Action Plan

We will remind departments that a capital outlay account (54XXX) must be used to purchase capital assets. In addition, at year-end the County Auditor's Office will scan non-capital outlay accounts to insure that capital assets have not been expensed.

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

Condition

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

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.

COUNTY OF PLUMAS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2012

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

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

We will remind departments of the proper County procedure for disposal of capital assets and that they need Board of Supervisors pre-approval of the disposal.

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