

**COUNTY OF MARIPOSA,  
CALIFORNIA**



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

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**COUNTY OF MARIPOSA**  
**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**

To the Board of Supervisors and Grand Jury  
County of Mariposa  
Mariposa, 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 Mariposa, 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 January 17, 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.

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. 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses, or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies. (13-FS-01, 13-FS-02 and 13-FS-03)

To the Board of Supervisors and Grand Jury  
County of Mariposa  
Mariposa, 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  
January 17, 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 Mariposa  
Mariposa, California

**Report on Compliance for Each Major Federal Program**

We have audited the County of Mariposa, 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.

**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.

To the Board of Supervisors and Grand Jury  
County of Mariposa  
Mariposa, California

## **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 Mariposa  
Mariposa, 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 Mariposa, 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 January 17, 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  
January 17, 2014

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

<u>Federal Program/Pass Through Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor Number</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Agriculture</b>			
Direct Program:			
Cooperative Forestry Assistance	10.664	-	\$ 33,773
Rural Business Enterprise Grants	10.769	-	14,128
Passed through State Department of Food and Agriculture:			
Plant and Animal Disease, Pest Control, and Animal Care	10.025	12-0327-SF	2,200
Passed through State Department of Social Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	CEC-22-2013	417,905
Passed through State Controller's Office:			
Schools and Roads - Grants to States	10.665	1100235A	167,191
Schools and Roads - Grants to States	10.665	10-PA-11051650-072	2,276
			<u>169,467</u>
			<u>387</u>
			<u>637,860</u>
<b>Department of Housing and Urban Development</b>			
Passed through State Department of Housing and Community Development:			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	09-EDEF-6369	118,791
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	10-EDEF-7268	3,855
			<u>122,646</u>
<b>U.S. Department of the Interior</b>			
Direct Program:			
Payments in Lieu of Taxes	15.226	-	1,040,781
			<u>1,040,781</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

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

Federal Program/Pass Through Program Title	Federal CFDA Number	Pass-Through Grantor Number	Federal Expenditures
<b>U.S. Department of Justice</b>			
Direct Program:			
State Criminal Alien Assistance Program	16.606	-	\$ 4,862
Bulletproof Vest Partnership Program	16.607	-	3,239
Passed through Board of State and Community Corrections:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	BSCC 618-12	87,737
Passed through State Emergency Management Agency:			
Crime Victim Assistance/Discretionary Grants	16.582	VW 1220 0220	35,104
ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government	16.804	ZA 0901 0220	5,874
ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government	16.804	ZP 0901 0220	9,011
<b>Subtotal 16.804</b>			<u>14,885</u>
<b>Total U.S. Department of Justice</b>			<u>145,827</u>
<b>U.S. Department of Transportation</b>			
Passed through State Department of Transportation:			
Highway Planning and Construction	20.205	BRLO-5940 (099)	6,752
Highway Planning and Construction	20.205	ER-18-D1 (001)	184,085
Highway Planning and Construction	20.205	HPLUL-5940 (064)	104,051
Highway Planning and Construction	20.205	HPLUL-5940 (069)	140,894
Highway Planning and Construction	20.205	HPLUL-5940 (070)	54,507
Highway Planning and Construction	20.205	HPLUL-5940 (073)	22,678
Highway Planning and Construction	20.205	HPLUL-5940 (084)	22,780
Highway Planning and Construction	20.205	SRTSL-5940 (097)	4,326
<b>Subtotal 20.205</b>			<u>540,073</u>
Passed through State Department of Transportation:			
Formula Grants for Other Than Urbanized Areas	20.509	642147	70,386
<b>Total U.S. Department of Transportation</b>			<u>610,459</u>
<b>Environmental Protection Agency</b>			
Passed through State Environmental Protection Agency:			
Underground Storage Tank Prevention, Detection, and Compliance Program	66.804	2010-5	12,610
Underground Storage Tank Prevention, Detection, and Compliance Program	66.804	G11-UST-11	16,924
<b>Subtotal 66.804</b>			<u>29,534</u>
<b>Total Environmental Protection Agency</b>			<u>29,534</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

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

Federal Program/Pass Through Program Title	Federal CFDA Number	Pass-Through Grantor Number	Federal Expenditures
<b>U.S. Department of Energy</b>			
Passed through State Department of Community Services and Development:			
ARRA - Weatherization Assistance for Low-Income Persons	81.042	09C-1823	\$ 2,103
Weatherization Assistance for Low-Income Persons	81.042	11C-1820	<u>2,648</u>
<b>Total U.S. Department of Energy</b>			<u>4,751</u>
<b>U.S. Department of Health and Human Services</b>			
Passed through State Department of Aging:			
Special Programs for the Aging - Title III, Part B -			
Grants for Supportive Services and Senior Centers	93.044	III B	34,425
Nutrition Services Incentive Program	93.053	None	12,305
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	C-1 Congregate	1,085
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	C-1 Restaurant	4,647
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	C-2 Delivered Meals	<u>11,433</u>
<b>Subtotal 93.045</b>			<u>17,165</u>
Passed through State Department of Social Services:			
Promoting Safe and Stable Families	93.556	CEC-22-2013	2,004
Community-Based Child Abuse Prevention Grants	93.590	None	26,623
Stephanie Tubbs Jones Child Welfare Services Program	93.645	CEC-22-2013	13,677
Social Services Block Grant	93.667	CEC-22-2013	41,380
Chafee Foster Care Independence Program	93.674	CEC-22-2013	21,203
Guardianship Assistance	93.090	CEC-22-2013	5,607
Guardianship Assistance	93.090	800-22-2013	<u>2,717</u>
<b>Subtotal 93.090</b>			<u>8,324</u>
Temporary Assistance for Needy Families	93.558	CEC-22-2013	1,340,082
Temporary Assistance for Needy Families	93.558	800-22-2013	<u>331,883</u>
<b>Subtotal 93.558</b>			<u>1,671,965</u>
Foster Care - Title IV-E	93.658	CEC-22-2013	385,396
Foster Care - Title IV-E	93.658	800-22-2013	<u>233,653</u>
<b>Subtotal 93.658</b>			<u>619,049</u>
Adoption Assistance	93.659	CEC-22-2013	3,836
Adoption Assistance	93.659	800-22-2013	<u>165,846</u>
<b>Subtotal 93.659</b>			<u>169,682</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

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

<u>Federal Program/Pass Through Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor Number</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Health and Human Services (Continued)</b>			
Passed through State Department of Mental Health Services:			
Projects for Assistance in Transition from Homelessness (PATH)	93.150	PATH	\$ 12,681
Block Grants for Community Mental Health Services	93.958	SAMSHA	92,945
Passed through State Department of Child Support Services:			
Child Support Enforcement	93.563	Mariposa	418,695
Passed through State Department of Alcohol and Drug Programs:			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	10-NNA22	396,660
Passed through State Department of Health Services:			
Public Health Emergency Preparedness	93.069	EPO 13-22	93,666
Immunization Grants	93.268	11-10581	25,098
Children's Health Insurance Program	93.767	CCS	5,881
Maternal and Child Health Services Block Grant to the States	93.994	MCH	48,264
Medical Assistance Program	93.778	CCS	23,931
Medical Assistance Program	93.778	CHDP	34,019
Medical Assistance Program	93.778	HCPCFC	10,095
Medical Assistance Program	93.778	IHSS	56,705
Medical Assistance Program	93.778	10-NNA22	6,958
			<u>131,708</u>
<b>Subtotal 93.778</b>			<u>131,708</u>
Passed through State Department of Community Services and Development:			
Low-Income Home Energy Assistance	93.568	11B-5723	57,835
Low-Income Home Energy Assistance	93.568	12B-5822	108,215
Low-Income Home Energy Assistance	93.568	13B-5022	232,551
			<u>398,601</u>
			<u>4,262,001</u>
<b>Department of Homeland Security</b>			
Passed through State Emergency Management Agency:			
Emergency Food and Shelter National Board Program	97.024	30-0766-00	222
Hazard Mitigation Grant	97.039	1952-DR	68,250
Emergency Management Performance Grants	97.042	EMW-2011-EP-00048	58,352
ARRA - Assistance to Firefighters Grant (ARRA)	97.115	EMW-2009-FC-03965R	1,355,441
Homeland Security Grant Program	97.067	2011-77	60,220
Homeland Security Grant Program	97.067	2012-00123	63,877
			<u>124,097</u>
			<u>1,606,362</u>
			<u>\$ 8,460,221</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

**COUNTY OF MARIPOSA**  
**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 Mariposa. The County of Mariposa 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 MARIPOSA**  
**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>Schools and Roads Cluster</u>		
10.665	Schools and Roads - Grants to States	\$ 169,467
10.666	Schools and Roads - Grants to Counties	<u>387</u>
Total		<u>\$ 169,854</u>
<u>JAG Program Cluster</u>		
16.738	Edward Byrne Memorial Justice Assistance Grant Program	\$ 87,737
16.804	ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government	<u>14,885</u>
Total		<u>\$ 102,622</u>
<u>Aging Cluster</u>		
93.044	Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	\$ 34,425
93.045	Special Programs for the Aging - Title III, Part C - Nutrition Services	17,165
93.053	Nutrition Services Incentive Program	<u>12,305</u>
Total		<u>\$ 63,895</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. The following schedule is presented to comply with these requirements.

<u>CFDA</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>
93.044	\$ 34,425	\$ -
93.045	17,165	-
93.053	<u>12,305</u>	<u>-</u>
Total	<u>\$ 63,895</u>	<u>\$ -</u>

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

**9. 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.

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2012	For the Year Through June 30, 2013	Cumulative As of June 30, 2013	Federal Share	State Share	County Share
<u>VW12200220 - Victim/Witness Assistance</u>						
Personal services	\$ -	\$ 74,899	\$ 74,899	\$ 34,534	\$ 40,365	\$ -
Operating expenses	-	10,316	10,316	570	9,746	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ -</u>	<u>\$ 85,215</u>	<u>\$ 85,215</u>	<u>\$ 35,104</u>	<u>\$ 50,111</u>	<u>\$ -</u>
<u>ZA09010220 - Anti-Drug Abuse Enforcement Team</u>						
Personal services	\$ 164,987	\$ -	\$ 164,987	\$ -	\$ -	\$ -
Operating expenses	123,390	5,874	129,264	5,874	-	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ 288,377</u>	<u>\$ 5,874</u>	<u>\$ 294,251</u>	<u>\$ 5,874</u>	<u>\$ -</u>	<u>\$ -</u>
<u>ZP09010220 - Evidence Based Probation Supervision Program</u>						
Personal services	\$ 23,163	\$ 8,312	\$ 31,475	\$ 8,312	\$ -	\$ -
Operating expenses	17,515	699	18,214	699	-	-
Equipment	1,037	-	1,037	-	-	-
Totals	<u>\$ 41,715</u>	<u>\$ 9,011</u>	<u>\$ 50,726</u>	<u>\$ 9,011</u>	<u>\$ -</u>	<u>\$ -</u>

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

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

<b>Financial Statements</b>	<u>Status</u>
1. Type of auditor's report issued	Unqualified
2. Internal controls over financial reporting:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified not considered to be material weaknesses?	Yes
3. Noncompliance material to financial statements noted?	No
 <b>Federal Awards</b>	
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:	
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 Government	
93.558      Temporary Assistance for Needy Families	
93.658      Foster Care - Title IV-E	
93.778      Medical Assistance Program	
93.959      Block Grants for Prevention and Treatment of Substance Abuse	
97.067      Homeland Security Grant Program	
97.115      ARRA - Assistance to Firefighters Grant	
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 MARIPOSA**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2013**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

Year End Closing Process	13-FS-01
Workers' Compensation and Liability Risk Management Underfunded	13-FS-02
Cash Deficit Balance and Decrease in Fund Balance	13-FS-03

**SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None

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

**13-FS-01 Year End Closing Process (Significant Deficiency)**

**Condition**

We recognize that the County has made a concerted effort to improve accounting procedures and to implement prior year recommendations, however, at the time of our audit we noted the financial statements as presented to us contained misstatements that required adjustment. Many of these adjustments were noted by the County and presented to us during our audit fieldwork. However, some of the adjustments were noted as a part of the audit process. This is a repeat of a prior year finding.

**Cause**

There was approximately \$105,781 in micro-enterprise business loans that had not been recorded on the County's general ledger.

**Criteria**

Government auditing standards require independent auditors to evaluate all unadjusted misstatements of financial statements. Also, producing timely audited financial statements is more difficult when adjustments are not recorded prior to the start of the annual audit.

**Effect of Condition**

The financial statements as presented to us for audit contained misstatements and required adjustment.

**Recommendation**

We recommend that the County strive to record all adjustments in a timely manner so that required adjustments can be recorded prior to the start of the annual audit.

**Corrective Action Plan**

No additional corrective action is required. The County could be liable for this finding in any given year. The County continues to accrue expenses until the end of August and revenues even after that, while the financials are provided to the auditors in early August. The specific issue with the loans in the Micro Loan program not getting posted to the balance sheet was an error in the Auditor's office. The problem has been corrected and the procedure modified.

**13-FS-02 Workers' Compensation and Liability Risk Management Underfunded (Significant Deficiency)**

**Condition**

The Workers' Compensation and Liability Risk Management internal service funds had deficit net assets as of June 30, 2013. During the current fiscal year the deficit in Workers' Compensation decreased from \$826,698 to \$546,232 and the deficit in Liability increased from \$274,717 to \$408,670. There are inadequate resources to settle the estimated accrued liabilities. This is a repeat of a prior year finding.

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

**13-FS-02 Workers' Compensation and Liability Risk Management Underfunded (Significant Deficiency) (Continued)**

**Cause**

The charges for services in these funds was not sufficient to cover the accrued liabilities.

**Criteria**

Prudent management of County resources requires that charges for services in internal service funds be adequate to cover the cost of providing the service.

**Effect of Condition**

For the year ended June 30, 2013, there was a deficit in both funds which indicated there was inadequate resources to settle the estimated accrued liabilities.

**Recommendation**

We recommend that the County continue to monitor these funds and manage the deficit until adequate resources are established for the Workers Compensation and Liability Risk Management internal service funds.

**Corrective Action Plan**

The County reviews the risk management funds that account for this activity annually. Insurance costs are set and charged to the affected budget units with the intent to reach or maintain the actuarially determined reserves to the extent of the financial capability of the County departments.

**13-FS-03 Cash Deficit Balance and Decrease in Fund Balance (Significant Deficiency)**

**Condition**

During our audit we noted that the Assistance fund fund balance decreased by \$546,518 during the current fiscal year to a deficit fund balance of \$1,144,099. We also noted that the Assistance fund has a deficit cash balance of \$1,512,031 and intergovernmental receivables of only \$1,078,467. The amount of receivables recorded is insufficient to cover the cash deficit. We also noted that although there was an increase in the Mental Health Services Act fund fund balance of \$836,798, there still remained a fund balance deficit of \$1,175,589.

**Cause**

Actual revenues were significantly less than budgeted amounts for both funds and actual expenditures and transfers out were not correspondingly reduced. Further analysis of the financial activity of these two funds would be required to determine the underlying cause of these deficits.

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

**13-FS-03 Cash Deficit Balance and Decrease in Fund Balance (Significant Deficiency) (Continued)**

**Criteria**

Good internal control requires that an adequate level of fund balance be maintained to fund future operations.

**Effect of Condition**

The expenditures in the Assistance fund exceeded revenues by \$546,518 in the current fiscal year, decreasing fund balance by approximately 91 percent and revenues in the Mental Health Services Act fund exceeded expenditures by \$836,798 but still left fund balance at a deficit of \$1,175,589.

**Recommendation**

We recommend that the County monitor the fund balance in the Assistance and Mental Health Services Act fund and verify that accounting procedures are appropriate and that expenditures are properly budgeted to maintain a positive fund balance.

**Corrective Action Plan**

The negative fund balance for the Mental Health Services Act fund (410) is a result of the improper expenditure of funds in prior years. Its current level is as expected based on the corrective action plan that Human Services filed with, and that was approved by, the State. This negative balance should continue to improve over the next five years based on the approved plan.

The negative fund balance and negative cash balance in the Assistance fund (363) is a potential issue. It appears that Human Services overdrew Fund 363 in FY 2012/13 by approximately \$451,565. To date they have been unable to identify any outstanding funds due that would apply to offsetting the overdrawn status in this fund.

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

<u>Audit Reference</u>	<u>Status of Prior Audit Recommendations</u>
<b>12-FS-01</b>	<p><b>Capital Assets</b></p> <p><b>Recommendation</b></p> <p>We recommend that all funds expended by the County for purchase of capital assets be properly reported and recorded at the time of the expenditure to avoid misstatements and adjustments in their financial statements.</p> <p><b>Status</b></p> <p>Implemented</p>
<b>12-FS-02</b>	<p><b>Year End Closing Process</b></p> <p><b>Recommendation</b></p> <p>We recommend that the County strive to record all adjustments in a timely manner so that required adjustments can be recorded prior to the start of the annual audit.</p> <p><b>Status</b></p> <p>Not Implemented</p>
<b>12-FS-03</b>	<p><b>Workers Compensation and Liability Risk Management Underfunded</b></p> <p><b>Recommendation</b></p> <p>We recommend that the County continue to monitor these funds and manage the deficit until adequate resources are established for the Workers Compensation and Liability Risk Management internal service funds.</p> <p><b>Status</b></p> <p>Not Implemented</p>
<b>12-FS-04</b>	<p><b>Closure/Postclosure Liability</b></p> <p><b>Recommendation</b></p> <p>We recommend that the County include the corrective action costs on the annual inflation factor calculation worksheet for the landfill.</p> <p><b>Status</b></p> <p>Implemented</p>

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

<u>Audit Reference</u>	<u>Status of Prior Audit Recommendations</u>
<b>12-FS-05</b>	<b>Unearned Revenue</b>  <b>Recommendation</b>  We recommend that the County reconcile the grant revenues received and the related expenditure claims.  <b>Status</b>  Implemented
<b>12-SA-01</b>	<b>Foster Care - Title IV-E</b>  <b>Recommendation</b>  We recommend that the County require that the FC 3's be signed by the Eligibility Worker and that this person check the appropriate box showing determination of the recipient eligibility on the bottom of the form. We also recommend that the County incorporate into their review process procedures to ensure that the FC 3's are properly completed and executed.  <b>Status</b>  Implemented
<b>12-SA-02</b>	<b>Foster Care - Title IV-E</b>  <b>Recommendation</b>  We recommend that the County require that the FC 2s be signed by the Eligibility Worker and that this person check the appropriate box showing determination of eligibility on this form. We also recommend that the County incorporate into their review process procedures to ensure that the FC 2s are properly completed and executed.  <b>Status</b>  Implemented

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**Supplemental Statements of Revenue and  
Expenditures Passed Through State Department of  
Community Services and Development**

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**COUNTY OF MARIPOSA**  
**Supplemental Statement of Revenue and Expenditure**  
**CSD Contract No. 09C-1823 (DOE-WX)**  
**For the Period July 1, 2009 Through June 30, 2013**

	<u>July 1, 2009 through June 30, 2010</u>	<u>July 1, 2010 through June 30, 2011</u>	<u>July 1, 2011 through June 30, 2012</u>	<u>July 1, 2012 through June 30, 2013</u>	<u>Totals</u>
<b>Revenue</b>					
Grant revenue	\$ 7,606	\$ 100,359	\$ 207,904	\$ 35	\$ 315,904
Total Revenue	<u>\$ 7,606</u>	<u>\$ 100,359</u>	<u>\$ 207,904</u>	<u>\$ 35</u>	<u>\$ 315,904</u>
<b>Expenditures</b>					
Administrative costs	\$ 4,730	\$ 5,917	\$ 8,871	\$ -	\$ 19,518
Program Costs:					
Client education	-	12,431	1,556	1,636	15,623
Outreach	1,137	5,653	4,114	466	11,370
Training and technical assistance	9,767	-	5,017	-	14,784
Minor vehicle and field equipment (less than \$5,000)	4,097	1,598	14,964	1	20,660
Vehicle insurance	95	-	90	-	185
Intake	-	6,535	(218)	-	6,317
Direct program activities	-	30,187	132,951	(1)	163,137
Health and safety activities	-	6,225	5,798	1	12,024
General/operating expenditures	1,304	34,058	16,924	-	52,286
Total Program Costs	<u>16,400</u>	<u>96,687</u>	<u>181,196</u>	<u>2,103</u>	<u>296,386</u>
Total Reported Expenditures	<u>\$ 21,130</u>	<u>\$ 102,604</u>	<u>\$ 190,067</u>	<u>\$ 2,103</u>	<u>\$ 315,904</u>

**COUNTY OF MARIPOSA**  
**Supplemental Statement of Revenue and Expenditure**  
**CSD Contract No. 11C-1820 (DOE-WX)**  
**For the Period July 1, 2011 Through June 30, 2013**

	<u>July 1, 2011 through June 30, 2012</u>	<u>July 1, 2012 through June 30, 2013</u>	<u>Totals</u>
<b>Revenue</b>			
Grant revenue	\$ 6,502	\$ 2,648	\$ 9,150
Total Revenue	<u>\$ 6,502</u>	<u>\$ 2,648</u>	<u>\$ 9,150</u>
<b>Expenditures</b>			
Administrative costs	\$ 386	\$ -	\$ 386
Program Costs:			
Vehicle insurance	218	-	218
Minor vehicle and field equipment (less than \$5,000)	400	-	400
General/operating expenditures	249	535	784
Direct program activities	5,119	2,113	7,232
Health and safety activities	130	-	130
Total Program Costs	<u>6,116</u>	<u>2,648</u>	<u>8,764</u>
Total Reported Expenditures	<u>\$ 6,502</u>	<u>\$ 2,648</u>	<u>\$ 9,150</u>

**COUNTY OF MARIPOSA**  
**Supplemental Statement of Revenue and Expenditure**  
**CSD Contract No. 11B-5723 (WX) (LIHEAP)**  
**For the Period January 1, 2011 Through June 30, 2013**

	<u>January 1, 2011 through June 30, 2011</u>	<u>July 1, 2011 through June 30, 2012</u>	<u>July 1, 2012 through June 30, 2013</u>	<u>Totals</u>
<b>Revenue</b>				
Grant revenue	\$ 70,655	\$ 99,682	\$ (7,198)	\$ 163,139
Total Revenue	<u>\$ 70,655</u>	<u>\$ 99,682</u>	<u>\$ (7,198)</u>	<u>\$ 163,139</u>
<b>Expenditures</b>				
Administrative costs	\$ 12,767	\$ 861	\$ -	\$ 13,628
Weatherization Program Budget:				
Intake	4,435	6,224	(7,251)	3,408
Outreach	2,103	6,415	-	8,518
Training and technical assistance	524	1,481	-	2,005
Direct program activities	50,826	83,861	53	134,740
Vehicle and equipment - acquisition costs	-	435	-	435
Workers' compensation	-	405	-	405
Total Program Costs	<u>57,888</u>	<u>98,821</u>	<u>(7,198)</u>	<u>149,511</u>
Total Reported Expenditures	<u>\$ 70,655</u>	<u>\$ 99,682</u>	<u>\$ (7,198)</u>	<u>\$ 163,139</u>

**COUNTY OF MARIPOSA**  
**Supplemental Statement of Revenue and Expenditure**  
**CSD Contract No. 11B-5723 (ECIP/HEAP)**  
**For the Period January 1, 2011 Through June 30, 2013**

	<u>January 1, 2011 through June 30, 2011</u>	<u>July 1, 2011 through June 30, 2012</u>	<u>July 1, 2012 through June 30, 2013</u>	<u>Totals</u>
<b>Revenue</b>				
Grant revenue	\$ 21,704	\$ 89,505	\$ 235,266	\$ 346,475
Total Revenue	<u>\$ 21,704</u>	<u>\$ 89,505</u>	<u>\$ 235,266</u>	<u>\$ 346,475</u>
<b>Expenditures</b>				
Assurance 16:				
Assurance 16 program costs	\$ 11,392	\$ 14,308	\$ 13,915	\$ 39,615
Administrative costs				
Administrative costs	14,308	3,367	6,340	24,015
Intake:				
Intake costs	8,397	2,542	(394)	10,545
Outreach:				
Outreach	5,695	13,767	6,903	26,365
Training and technical assistance:				
Training and technical assistance	179	-	-	179
ECIP HEAP Costs:				
ECIP EHCS Heating service repair/replacement	-	86	-	86
ECIP Wood, propane, and oil payments	103,045	21,022	34,183	158,250
HEAP Wood, propane, and oil payments	50,490	32,844	3,336	86,670
Liability insurance	-	-	750	750
Total ECIP HEAP Costs	<u>153,535</u>	<u>53,952</u>	<u>38,269</u>	<u>245,756</u>
Total Reported Expenditures	<u>\$ 193,506</u>	<u>\$ 87,936</u>	<u>\$ 65,033</u>	<u>\$ 346,475</u>

**COUNTY OF MARIPOSA**  
**Supplemental Statement of Revenue and Expenditure**  
**CSD Contract No. 12B-5822 (WX) (LIHEAP)**  
**For the Period January 1, 2012 Through June 30, 2013**

	<u>January 1, 2012 through June 30, 2012</u>	<u>July 1, 2012 through June 30, 2013</u>	<u>Totals</u>
<b>Revenue</b>			
Grant revenue	\$ 106,763	\$ -	\$ 106,763
Total Revenue	<u>\$ 106,763</u>	<u>\$ -</u>	<u>\$ 106,763</u>
<b>Expenditures</b>			
Administrative costs	\$ 5,134	\$ -	\$ 5,134
Weatherization Program Budget:			
Intake	2,158	-	2,158
Outreach	2,841	-	2,841
Direct program activities	<u>96,630</u>	<u>-</u>	<u>96,630</u>
Total Program Costs	<u>101,629</u>	<u>-</u>	<u>101,629</u>
Total Reported Expenditures	<u>\$ 106,763</u>	<u>\$ -</u>	<u>\$ 106,763</u>

**COUNTY OF MARIPOSA**  
**Supplemental Statement of Revenue and Expenditure**  
**CSD Contract No. 12B-5822 (ECIP/HEAP)**  
**For the Period January 1, 2012 Through June 30, 2013**

	<u>January 1, 2012 through June 30, 2012</u>	<u>July 1, 2012 through June 30, 2013</u>	<u>Totals</u>
<b>Revenue</b>			
Grant revenue	\$ 66,173	\$ 209,923	\$ 276,096
Total Revenue	<u>\$ 66,173</u>	<u>\$ 209,923</u>	<u>\$ 276,096</u>
<b>Expenditures</b>			
Assurance 16:			
Assurance 16 program costs	\$ 5,673	\$ 13,757	\$ 19,430
Administrative costs			
Administrative costs	15,520	1,770	17,290
Intake:			
Intake costs	1,018	17,527	18,545
Outreach:			
Outreach	3,966	14,579	18,545
Training and technical assistance:			
Training and technical assistance	-	3,517	3,517
ECIP HEAP Costs:			
ECIP Wood, propane, and oil payments	103,119	16,386	119,505
HEAP Wood, propane, and oil payments	38,585	40,679	79,264
Total ECIP HEAP Costs	<u>141,704</u>	<u>57,065</u>	<u>198,769</u>
Total Reported Expenditures	<u>\$ 167,881</u>	<u>\$ 108,215</u>	<u>\$ 276,096</u>

**COUNTY OF MARIPOSA**  
**Supplemental Statement of Revenue and Expenditure**  
**CSD Contract No. 13B-5022 (WX) (LIHEAP)**  
**For the Period January 1, 2013 Through June 30, 2013**

	<b>January 1, 2013 through June 30, 2013</b>	<b>Totals</b>
<b>Revenue</b>		
Grant revenue	\$ 48,516	\$ 48,516
Total Revenue	\$ 48,516	\$ 48,516
<b>Expenditures</b>		
Administrative costs	\$ -	\$ -
Weatherization Program Budget: Direct program activities	57,261	57,261
Total Program Costs	57,261	57,261
Total Reported Expenditures	\$ 57,261	\$ 57,261

**COUNTY OF MARIPOSA**  
**Supplemental Statement of Revenue and Expenditure**  
**CSD Contract No. 13B-5022 (ECIP/HEAP)**  
**For the Period January 1, 2013 Through June 30, 2013**

	<b>January 1, 2013 through June 30, 2013</b>	<b>Totals</b>
<b>Revenue</b>		
Grant revenue	\$ 127,812	\$ 127,812
Total Revenue	<u>\$ 127,812</u>	<u>\$ 127,812</u>
<b>Expenditures</b>		
Assurance 16: Assurance 16 program costs	\$ 13,557	\$ 13,557
Administrative costs Administrative costs	89	89
Intake: Intake costs	16,589	16,589
Outreach: Outreach	9,104	9,104
Training and technical assistance: Training and technical assistance	5,007	5,007
ECIP HEAP Costs:		
ECIP Wood, propane, and oil payments	106,770	106,770
HEAP Wood, propane, and oil payments	14,080	14,080
Automation supplemental	10,094	10,094
Total ECIP HEAP Costs	<u>130,944</u>	<u>130,944</u>
Total Reported Expenditures	<u>\$ 175,290</u>	<u>\$ 175,290</u>