

**COUNTY OF MARIPOSA,
CALIFORNIA**



**SINGLE AUDIT ACT
REPORTS AND SCHEDULES
FOR THE YEAR ENDED
JUNE 30, 2015**

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COUNTY OF MARIPOSA
Single Audit Act
For the Year Ended June 30, 2015

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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, 2015, 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 13, 2016.

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 was for the limited purpose described in the first paragraph of this section 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. 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. (2015-001)

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

Compliance and Other Matters

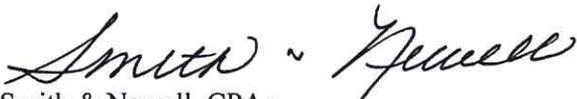
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 of Mariposa'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 13, 2016

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
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, 2015. 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, 2015.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133, and which are described in the accompanying schedule of findings and questioned costs as item 2015-002. Our opinion on each major federal program is not modified with respect to these matters.

The County's responses to the noncompliance 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 compliance and, accordingly, we express no opinion on the responses.

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.

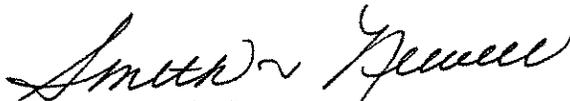
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

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, (County) as of and for the year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated February 12, 2015, 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.

The supplemental schedules, as listed in the table of contents, have not been subjected to auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on them.



Smith & Newell, CPAs
Yuba City, California
January 13, 2016

COUNTY OF MARIPOSA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

Federal Program/Pass Through Program Title	Federal CFDA Number	Pass-Through Grantor Number	Federal Expenditures
U.S. Department of Agriculture			
Direct Program:			
Cooperative Forestry Assistance	10.664	-	\$ 18,749
Rural Business Enterprise Grants	10.769	-	2,745
Passed through State Department of Food and Agriculture:			
Plant and Animal Disease, Pest Control, and Animal Care	10.025	14-0187-SF	9,978
Forest Health Protection	10.680	10-DG-11052021-037	7,895
Passed through State Department of Social Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	CEC-22-2015	584,490
Passed through State Controller's Office:			
Schools and Roads - Grants to States	10.665	1100235A	163,217
Schools and Roads - Grants to States	10.665	10-PA-11051650-072	1,364
			<u>164,581</u>
			818
			<u>789,256</u>
Department of Housing and Urban Development			
Passed through State Department of Housing and Community Development:			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	Outstanding Loans	558,571
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	11-DRI-7555	1,461,303
			<u>2,019,874</u>
U.S. Department of the Interior			
Direct Program:			
Payments in Lieu of Taxes	15.226	-	1,161,092
			<u>1,161,092</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, 2015

Federal Program/Pass Through Program Title	Federal CFDA Number	Pass-Through Grantor Number	Federal Expenditures
U.S. Department of Justice			
Direct Program:			
Bulletproof Vest Partnership Program	16.607	-	\$ 3,000
Equitable Sharing Program	16.922	-	2,130
Passed through Board of State and Community Corrections:			
Juvenile Accountability Block Grants	16.523	BSCC 618-13	63,367
Edward Byrne Memorial Justice Assistance Grant Program	16.738	BSCC 618-14	28,428
Passed through State Emergency Management Agency:			
Crime Victim Assistance/Discretionary Grants	16.582	VW 1422 0220	30,629
Violence Against Women Formula Grants	16.588	VV 1402 0220	171,863
Total U.S. Department of Justice			299,417
U.S. Department of Transportation			
Passed through State Department of Transportation:			
Highway Planning and Construction	20.205	BRLS-5940 (004)	4,723
Highway Planning and Construction	20.205	BRLS-5940 (099)	34,423
Highway Planning and Construction	20.205	BRLS-5940 (101)	108,087
Highway Planning and Construction	20.205	BRLS-5940 (102)	101,144
Highway Planning and Construction	20.205	BRLS-5940 (105)	47,696
Highway Planning and Construction	20.205	BRLS-5940 (106)	15,418
Highway Planning and Construction	20.205	BRLS-5940 (108)	95,928
Highway Planning and Construction	20.205	BRLS-5940 (112)	29,577
Highway Planning and Construction	20.205	BRLS-5940 (113)	15,034
Highway Planning and Construction	20.205	BRLO-5940 (115)	32,722
Highway Planning and Construction	20.205	HPLUL-5940 (067)	555
Highway Planning and Construction	20.205	HPLUL-5940 (085)	295,190
Highway Planning and Construction	20.205	HPLUL-5940 (095)	1,320
Subtotal 20.205			781,817
Passed through State Department of Transportation:			
Formula Grants for Rural Areas	20.509	643143	119,929
Total U.S. Department of Transportation			901,746
Environmental Protection Agency			
Passed through State Environmental Protection Agency:			
Underground Storage Tank Prevention, Detection, and Compliance Program	66.804	G13-UST-11	19,976
Total Environmental Protection Agency			19,976

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, 2015

Federal Program/Pass Through Program Title	Federal CFDA Number	Pass-Through Grantor Number	Federal Expenditures
U.S. Department of Health and Human Services			
Direct Program:			
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	-	\$ 78,096
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	32,325
Nutrition Services Incentive Program	93.053	None	11,164
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	C-1 Congregate	5,095
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	C-2 Delivered Meals	272
Subtotal 93.045			<u>5,367</u>
Passed through State Department of Social Services:			
Promoting Safe and Stable Families	93.556	CEC-22-2015	977
Community-Based Child Abuse Prevention Grants	93.590	None	20,000
Stephanie Tubbs Jones Child Welfare Services Program	93.645	CEC-22-2015	13,832
Social Services Block Grant	93.667	CEC-22-2015	50,700
Chafee Foster Care Independence Program	93.674	CEC-22-2015	19,606
Guardianship Assistance	93.090	CEC-22-2015	1,173
Guardianship Assistance	93.090	800-22-2015	12,440
Subtotal 93.090			<u>13,613</u>
Temporary Assistance for Needy Families	93.558	CEC-22-2015	1,420,793
Temporary Assistance for Needy Families	93.558	800-22-2015	489,419
Subtotal 93.558			<u>1,910,212</u>
Foster Care - Title IV-E	93.658	CEC-22-2015	234,617
Foster Care - Title IV-E	93.658	800-22-2015	77,831
Subtotal 93.658			<u>312,448</u>
Adoption Assistance	93.659	CEC-22-2015	1,770
Adoption Assistance	93.659	800-22-2015	185,430
Subtotal 93.659			<u>187,200</u>
Passed through State Department of Mental Health Services:			
Projects for Assistance in Transition from Homelessness (PATH)	93.150	PATH	21,421
Block Grants for Community Mental Health Services	93.958	SAMSHA	124,468
Passed through State Department of Child Support Services:			
Child Support Enforcement	93.563	Mariposa	447,752

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, 2015

<u>Federal Program/Pass Through 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 Alcohol and Drug Programs: Block Grants for Prevention and Treatment of Substance Abuse	93.959	10-NNA22	\$ 397,029
Passed through State Department of Health Services:			
Public Health Emergency Preparedness	93.069	N/A	104,330
Immunization Cooperative Agreements	93.268	11-10581	22,856
Children's Health Insurance Program	93.767	CCS	3,691
Maternal and Child Health Services Block Grant to the States	93.994	MCH	71,693
Medical Assistance Program	93.778	CCS	42,579
Medical Assistance Program	93.778	CHDP	40,553
Medical Assistance Program	93.778	HCPCFC	7,923
Medical Assistance Program	93.778	IHSS	50,886
Medical Assistance Program	93.778	MCH	10,599
Medical Assistance Program	93.778	CEC-22-2015	1,002,072
Medical Assistance Program	93.778	10-NNA22	12,953
Subtotal 93.778			<u>1,167,565</u>
Passed through State Department of Community Services and Development:			
Low-Income Home Energy Assistance	93.568	14B-5022	191,007
Low-Income Home Energy Assistance	93.568	15B-3022	231,023
Subtotal 93.568			<u>422,030</u>
Total U.S. Department of Health and Human Services			<u>5,438,375</u>
Department of Homeland Security			
Passed through State Department of Parks and Recreation:			
Boating Safety Financial Assistance	97.012	-	253,036
Passed through State Emergency Management Agency:			
Emergency Food and Shelter National Board Program	97.024	31-0766-00	198
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2012-FF-00117	78,867
Emergency Management Performance Grants	97.042	EMW-2013-EP-00047	49,904
Emergency Management Performance Grants	97.042	EMW-2014-EP-00070	128,813
Subtotal 97.042			<u>178,717</u>
Homeland Security Grant Program	97.067	2011-00077	25,000
Homeland Security Grant Program	97.067	2013-00110	66,737
Homeland Security Grant Program	97.067	2014-00093	50,000
Subtotal 97.042			<u>141,737</u>
Total Department of Homeland Security			<u>652,555</u>
Total			<u>\$ 11,282,291</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, 2015

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. In addition, the outstanding balance of prior years' loans that have significant continuing compliance requirements have been included in total federal expenditures.

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. LOANS WITH CONTINUING COMPLIANCE REQUIREMENTS

The County participates in certain federal award programs that sponsor revolving loan programs, which are administered by the County. These programs require servicing arrangements with the County. The funds are returned to the programs upon repayment of the principal and interest. In accordance with Subpart B, Section 205 of the U.S. Office of Management and Budget Circular A-133, the County has reported the outstanding balance loans from previous years that have significant continuing compliance requirements as of June 30, 2015, along with the value of total outstanding and new loans made during the current year.

COUNTY OF MARIPOSA
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

6. LOANS WITH CONTINUING COMPLIANCE REQUIREMENTS (CONTINUED)

The programs listed below had the following aggregate, federally funded loans outstanding at June 30, 2015:

<u>Federal CFDA</u>	<u>Program Title</u>	<u>Amounts Outstanding</u>	
		<u>July 1, 2014</u>	<u>June 30, 2015</u>
14.228	Community Development Block Grants/ State's Program and Non-entitlement Grants in Hawaii	\$ 558,571	\$ 531,813
	Total Loans Outstanding	<u>\$ 558,571</u>	<u>\$ 531,813</u>

7. PROGRAM CLUSTERS

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

Schools and Roads Cluster

10.665	Schools and Roads - Grants to States	\$ 164,581
10.666	Schools and Roads - Grants to Counties	<u>818</u>
	Total	<u>\$ 165,399</u>

Aging Cluster

93.044	Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	\$ 32,325
93.045	Special Programs for the Aging - Title III, Part C - Nutrition Services	5,367
93.053	Nutrition Services Incentive Program	<u>11,164</u>
	Total	<u>\$ 48,856</u>

COUNTY OF MARIPOSA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2015

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?	No
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 in accordance with with OMB Circular A-133 Section 510(a)?	Yes
4. Identification of major programs:	
14.228 Community Development Block Grants/State's Program and Non-Entitlement	
15.226 Payments in Lieu of Taxes	
20.205 Highway Planning and Construction	
93.558 Temporary Assistance for Needy Families	
93.568 Low-Income Home Energy Assistance	
5. Dollar threshold used to distinguish between Type A and Type B programs?	\$338,469
6. Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 530?	No

SECTION II - FINANCIAL STATEMENT FINDINGS

Workers' Compensation and Liability Risk Management Underfunded	2015-001
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SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

14.228 Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii

COUNTY OF MARIPOSA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2015

2015-001 Workers' Compensation and Liability Risk Management Underfunded (Significant Deficiency)

Condition

The Insurance, Workers' Compensation, and Liability Risk Management internal service funds had deficit net position as of June 30, 2015. During the current fiscal year the Insurance fund net position decreased by \$12,151 creating a deficit net position of \$3,191, the deficit in Workers' Compensation net position increased from \$406,881 to \$1,308,098 and the deficit in Liability net position decreased from \$317,997 to \$104,494. There are inadequate resources to settle the estimated accrued liabilities. This is a repeat of a prior year finding.

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, 2015, 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.

COUNTY OF MARIPOSA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2015

2015-002

Name: COMMUNITY DEVELOPMENT BLOCK GRANTS/STATE'S PROGRAM AND NON-ENTITLEMENT GRANTS IN HAWAII
CFDA #: 14.228
Federal Grantor: U.S. Department of Housing and Urban Development
Pass Through Entity: State Department of Housing and Community Development
Award No.: Various
Year: 2014/2015

Condition

During our audit of CDBG loans receivable files, we noted that there was documentation of homeowner's insurance on the property acquired with loan funds missing from seven of the nine files tested.

Perspective

Appropriate monitoring of loans receivable was inadequate.

Criteria

The loan documents require that loan recipients maintain homeowner's insurance on the property acquired with loan funds.

Effect of Condition

The County was not verifying that loan recipients were maintaining homeowner's insurance as required in the loan documents.

Questioned Cost

No costs were questioned. All seven loan recipients were eligible to receive CDBG loans. The problem was that County was not verifying compliance with the requirements of the loan documents.

Recommendation

We recommend that the County verify that all CDBG loan recipients have the required homeowner's insurance and maintain documentation on an annual basis.

Corrective Action Plan

At the beginning of each calendar year, the County sends out requests for homeowner's insurance verification to all CDBG housing loan recipients. In the future, the County will continue this practice and also request copies of the homeowner's insurance policy declarations page.

COUNTY OF MARIPOSA
Schedule of Prior Year Findings and Questioned Costs
For the Year Ended June 30, 2015

<u>Audit Reference</u>	<u>Status of Prior Audit Recommendations</u>
2014-001	<p>Prior Period Adjustment</p> <p>Recommendation</p> <p>We recommend that the County improve its internal control system and its policies and procedures in reviewing detail general ledger accounts for accuracy.</p> <p>Status</p> <p>Implemented</p>
2014-002	<p>Workers Compensation and Liability Risk Management Underfunded</p> <p>Recommendation</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>Status</p> <p>Not Implemented</p>
2014-003	<p>Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii</p> <p>Recommendation</p> <p>We recommend that the County verify that all CDBG loan recipients have the required homeowner's insurance and maintain documentation on an annual basis.</p> <p>Status</p> <p>In progress</p>

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Supplemental Schedules

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COUNTY OF MARIPOSA
Supplemental Schedule
California Department of Aging (CDA)
For the Year Ended June 30, 2015

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</u> <u>Expenditures</u>	<u>State</u> <u>Expenditures</u>
93.044	\$ 32,325	\$ -
93.045	5,367	38,307
93.053	<u>11,164</u>	<u>-</u>
Total	<u>\$ 48,856</u>	<u>\$ 38,307</u>

COUNTY OF MARIPOSA
Supplemental Schedule
California Emergency Management Agency
For the Year Ended June 30, 2015

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, 2015. 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, 2014</u>	<u>For the Year Through June 30, 2015</u>	<u>Cumulative As of June 30, 2015</u>	<u>Federal Share</u>	<u>State Share</u>	<u>County Share</u>
<u>VW 14220220 - Victim Witness Assistance</u>						
Personal services	\$ -	\$ 56,341	\$ 56,341	\$ 21,341	\$ 35,000	\$ -
Operating expenses	-	21,270	21,270	9,288	11,982	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ -</u>	<u>\$ 77,611</u>	<u>\$ 77,611</u>	<u>\$ 30,629</u>	<u>\$ 46,982</u>	<u>\$ -</u>
<u>VV14020220 - Violence Against Women Vertical Prosecution</u>						
Personal services	\$ -	\$ 188,847	\$ 188,847	\$ 117,879	\$ -	\$ 70,968
Operating expenses	-	53,984	53,984	53,984	-	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ -</u>	<u>\$ 242,831</u>	<u>\$ 242,831</u>	<u>\$ 171,863</u>	<u>\$ -</u>	<u>\$ 70,968</u>

COUNTY OF MARIPOSA
Supplemental Schedule of Revenue and Expenditures
CSD Contract No. 14B-5022 (WX) (LIHEAP)
For the Period January 1, 2014 Through January 31, 2015

	January 1 through June 30, 2014	July 1, 2014 through January 31, 2015	Total Audited Costs	Total Reported Expenses	Total Budget
REVENUE					
Grant revenue	\$ 23,394	\$ 111,686	\$ 135,080	\$ 135,080	\$ 135,136
Total Revenue	<u>23,394</u>	<u>111,686</u>	<u>135,080</u>	<u>135,080</u>	<u>135,136</u>
EXPENDITURES					
Administrative Costs	<u>3,865</u>	<u>4,588</u>	<u>8,453</u>	<u>8,453</u>	<u>10,811</u>
Weatherization Program Costs:					
Intake	1,057	4,855	5,912	5,912	10,811
Outreach	661	3,035	3,696	3,696	6,757
Training and technical assistance	1,029	629	1,658	1,658	6,757
Direct program activities	31,756	83,298	115,054	115,054	100,000
Liability insurance	<u>307</u>	<u>-</u>	<u>307</u>	<u>307</u>	<u>-</u>
Total Program Costs	<u>34,810</u>	<u>91,817</u>	<u>126,627</u>	<u>126,627</u>	<u>124,325</u>
Total Costs	<u>38,675</u>	<u>96,405</u>	<u>135,080</u>	<u>135,080</u>	<u>135,136</u>
Revenue Over (Under) Costs	<u>\$ (15,281)</u>	<u>\$ 15,281</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF MARIPOSA
Supplemental Schedule of Revenue and Expenditures
CSD Contract No. 14B-5022 (ECIP/HEAP)
For the Period January 1, 2014 Through January 31, 2015

	<u>January 1 through June 30, 2014</u>	<u>July 1, 2014 through January 31, 2015</u>	<u>Total Audited Costs</u>	<u>Total Reported Expenses</u>	<u>Total Budget</u>
REVENUE					
Grant revenue	\$ 130,682	\$ 141,592	\$ 272,274	\$ 272,274	\$ 272,875
Total Revenue	<u>130,682</u>	<u>141,592</u>	<u>272,274</u>	<u>272,274</u>	<u>272,875</u>
EXPENDITURES					
Assurance 16 Costs:					
Assurance 16 activities	<u>8,203</u>	<u>17,599</u>	<u>25,802</u>	<u>25,802</u>	<u>27,027</u>
Administrative Costs EHA 16:					
Administrative costs	<u>8,060</u>	<u>8,132</u>	<u>16,192</u>	<u>16,192</u>	<u>16,216</u>
Intake Costs ECIP and HEAP:					
Intake costs	<u>9,166</u>	<u>17,627</u>	<u>26,793</u>	<u>26,793</u>	<u>27,834</u>
Outreach Costs ECIP and HEAP:					
Outreach	<u>6,709</u>	<u>10,313</u>	<u>17,022</u>	<u>17,022</u>	<u>17,396</u>
Training and technical assistance:					
Training and technical assistance	<u>825</u>	<u>175</u>	<u>1,000</u>	<u>1,000</u>	<u>1,279</u>
ECIP HEAP Program Costs:					
ECIP Wood, propane, and oil payments	130,972	35,578	166,550	166,550	165,336
HEAP Wood, propane, and oil payments	<u>13,737</u>	<u>5,178</u>	<u>18,915</u>	<u>18,915</u>	<u>17,787</u>
Total ECIP HEAP Costs	<u>144,709</u>	<u>40,756</u>	<u>185,465</u>	<u>185,465</u>	<u>183,123</u>
Total Costs	<u>177,672</u>	<u>94,602</u>	<u>272,274</u>	<u>272,274</u>	<u>272,875</u>
Revenue Over (Under) Costs	<u>\$ (46,990)</u>	<u>\$ 46,990</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF MARIPOSA
Supplemental Schedule of Revenue and Expenditures
CSD Contract No. 15B-5022 (WX) (LIHEAP)
For the Period January 1, 2015 Through June 30, 2015

	<u>January 1, 2015 through June 30, 2015</u>	<u>Total Audited Costs</u>	<u>Total Reported Expenses</u>	<u>Total Budget</u>
REVENUE				
Grant revenue	\$ 57,367	\$ 57,367	\$ 57,367	\$ 191,816
Total Revenue	<u>57,367</u>	<u>57,367</u>	<u>57,367</u>	<u>191,816</u>
EXPENDITURES				
Weatherization Program Costs:				
Intake	2,797	2,797	2,797	15,345
Outreach	4,001	4,001	4,001	9,591
Training and technical assistance	440	440	440	9,591
Direct program activities	<u>50,129</u>	<u>50,129</u>	<u>50,129</u>	<u>157,289</u>
Total Program Costs	<u>57,367</u>	<u>57,367</u>	<u>57,367</u>	<u>191,816</u>
Total Costs	<u>57,367</u>	<u>57,367</u>	<u>57,367</u>	<u>191,816</u>
Revenue Over (Under) Costs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF MARIPOSA
Supplemental Schedule of Revenue and Expenditures
CSD Contract No. 15B-5022 (ECIP/HEAP)
For the Period January 1, 2015 Through June 30, 2015

	<u>January 1, 2015 through June 30, 2015</u>	<u>Total Audited Costs</u>	<u>Total Reported Expenses</u>	<u>Total Budget</u>
REVENUE				
Grant revenue	\$ 173,656	\$ 173,656	\$ 173,656	\$ 340,134
Total Revenue	<u>173,656</u>	<u>173,656</u>	<u>173,656</u>	<u>340,134</u>
EXPENDITURES				
Assurance 16 Costs:				
Assurance 16 activities	<u>16,011</u>	<u>16,011</u>	<u>16,011</u>	<u>37,450</u>
Administrative Costs EHA 16:				
Administrative costs	<u>4,419</u>	<u>4,419</u>	<u>4,419</u>	<u>37,395</u>
Intake Costs ECIP and HEAP:				
Intake costs	<u>15,334</u>	<u>15,334</u>	<u>15,334</u>	<u>35,348</u>
Outreach Costs ECIP and HEAP:				
Outreach	<u>9,568</u>	<u>9,568</u>	<u>9,568</u>	<u>22,092</u>
Training and technical assistance:				
Training and technical assistance	<u>244</u>	<u>244</u>	<u>244</u>	<u>8,837</u>
ECIP HEAP Program Costs:				
ECIP Wood, propane, and oil payments	109,975	109,975	109,975	171,151
HEAP Wood, propane, and oil payments	<u>18,105</u>	<u>18,105</u>	<u>18,105</u>	<u>27,861</u>
Total ECIP HEAP Costs	<u>128,080</u>	<u>128,080</u>	<u>128,080</u>	<u>199,012</u>
Total Costs	<u>173,656</u>	<u>173,656</u>	<u>173,656</u>	<u>340,134</u>
Revenue Over (Under) Costs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>