

**COUNTY OF MARIPOSA,  
CALIFORNIA**



**SINGLE AUDIT ACT  
REPORTS AND SCHEDULES  
FOR THE YEAR ENDED  
JUNE 30, 2014**

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**COUNTY OF MARIPOSA**  
**Single Audit Act**  
**For the Year Ended June 30, 2014**

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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, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated February 12, 2015.

**Internal Control Over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses, or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness. (2014-001)

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

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. (2014-002)

### **Compliance and Other Matters**

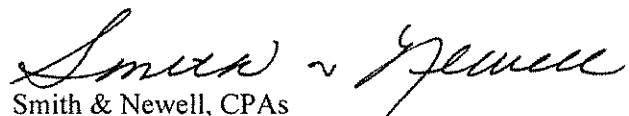
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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  
February 12, 2015

**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, 2014. 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, 2014.

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 2014-003. 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.

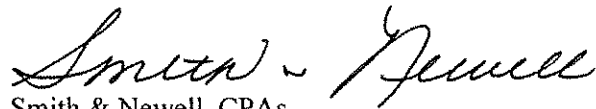


To the Board of Supervisors and Grand Jury  
County of Mariposa  
Mariposa, California

**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, 2014 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 of revenue and expenditures 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  
February 12, 2015

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**COUNTY OF MARIPOSA**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2014**

Federal Program/Pass Through Program Title	Federal CFDA Number	Pass-Through Grantor Number	Federal Expenditures
<b>U.S. Department of Agriculture</b>			
Direct Program:			
Cooperative Forestry Assistance	10.664	-	\$ 7,588
Rural Business Enterprise Grants	10.769	-	13,532
Passed through State Department of Food and Agriculture:			
Plant and Animal Disease, Pest Control, and Animal Care	10.025	12-8506-0572-CA	97
Plant and Animal Disease, Pest Control, and Animal Care	10.025	13-8506-1399-CA	5,010
Plant and Animal Disease, Pest Control, and Animal Care	10.025	13-8506-0484-CA	13,983
<b>Subtotal 10.025</b>			<u>19,090</u>
Forest Health Protection	10.680	10-DG-11052021-037	570
Passed through State Department of Social Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	CEC-22-2014	449,305
Passed through State Controller's Office:			
Schools and Roads - Grants to States	10.665	1100235A	174,967
Schools and Roads - Grants to States	10.665	10-PA-11051650-072	2,015
<b>Subtotal 10.665</b>			<u>176,982</u>
Schools and Roads - Grants to Counties	10.666	1100276A	1,315
<b>Total U.S. Department of Agriculture</b>			<u>668,382</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	Outstanding Loans	529,406
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	Program Income	92,790
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	10-EDEF-7268	17,256
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	11-DRI-7555	131,890
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	12-CDBG-8398	44,942
<b>Subtotal 14.228</b>			<u>816,284</u>
<b>Total Department of Housing and Urban Development</b>			<u>816,284</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, 2014**

Federal Program/Pass Through Program Title	Federal CFDA Number	Pass-Through Grantor Number	Federal Expenditures
<b>U.S. Department of the Interior</b>			
Direct Program:			
Payments in Lieu of Taxes	15.226	-	\$ 1,068,119
<b>Total U.S. Department of the Interior</b>			<u>1,068,119</u>
<b>U.S. Department of Justice</b>			
Direct Program:			
State Criminal Alien Assistance Program	16.606	-	8,670
Bulletproof Vest Partnership Program	16.607	-	780
Passed through Board of State and Community Corrections:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	BSCC 618-12	24,960
Edward Byrne Memorial Justice Assistance Grant Program	16.738	BSCC 618-13	84,447
<b>Subtotal 16.738</b>			<u>109,407</u>
Passed through State Emergency Management Agency:			
Crime Victim Assistance/Discretionary Grants	16.582	VW 1321 0220	29,293
Violence Against Women Formula Grants	16.588	VV 1301 0220	125,830
<b>Total U.S. Department of Justice</b>			<u>273,980</u>
<b>U.S. Department of Transportation</b>			
Passed through State Department of Transportation:			
Highway Planning and Construction	20.205	BRLS-5940 (004)	17,838
Highway Planning and Construction	20.205	BRLS-5940 (099)	16,205
Highway Planning and Construction	20.205	BRLS-5940 (101)	9,991
Highway Planning and Construction	20.205	BRLS-5940 (102)	9,134
Highway Planning and Construction	20.205	BRLS-5940 (105)	7,622
Highway Planning and Construction	20.205	BRLS-5940 (106)	14,111
Highway Planning and Construction	20.205	BRLS-5940 (108)	7,847
Highway Planning and Construction	20.205	ER-18-D1 (001)	106,954
Highway Planning and Construction	20.205	ER-18-D1 (002)	12,121
Highway Planning and Construction	20.205	ER-20-H0 (001)	76,608
Highway Planning and Construction	20.205	ER-20-H0 (002)	132,146
Highway Planning and Construction	20.205	HPLUL-5940 (067)	1,045
Highway Planning and Construction	20.205	HPLUL-5940 (093)	8,000
Highway Planning and Construction	20.205	HPLUL-5940 (095)	1,320
Highway Planning and Construction	20.205	SRTSL-5940 (097)	20,674
<b>Subtotal 20.205</b>			<u>441,616</u>
Passed through State Department of Transportation:			
Formula Grants for Rural Areas	20.509	643143	119,929
<b>Total U.S. Department of Transportation</b>			<u>561,545</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, 2014**

<u>Federal Program/Pass Through Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor Number</u>	<u>Federal Expenditures</u>
<b>Environmental Protection Agency</b>			
Passed through State Environmental Protection Agency: Underground Storage Tank Prevention, Detection, and Compliance Program	66.804	G11-UST-11	\$ 60,024
<b>Total Environmental Protection Agency</b>			<u>60,024</u>
<b>U.S. Department of Health and Human Services</b>			
Direct Program:			
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	-	113,804
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	31,125
Nutrition Services Incentive Program	93.053	None	10,706
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	C-1 Congregate	11,433
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	C-2 Delivered Meals	<u>16,278</u>
<b>Subtotal 93.045</b>			<u>27,711</u>
Passed through State Department of Social Services:			
Community-Based Child Abuse Prevention Grants	93.590	None	22,000
Stephanie Tubbs Jones Child Welfare Services Program	93.645	CEC-22-2014	13,025
Social Services Block Grant	93.667	CEC-22-2014	47,306
Chafee Foster Care Independence Program	93.674	CEC-22-2014	20,394
Guardianship Assistance	93.090	CEC-22-2014	1,261
Guardianship Assistance	93.090	800-22-2014	<u>7,982</u>
<b>Subtotal 93.090</b>			<u>9,243</u>
Temporary Assistance for Needy Families	93.558	CEC-22-2014	1,225,842
Temporary Assistance for Needy Families	93.558	800-22-2014	<u>336,525</u>
<b>Subtotal 93.558</b>			<u>1,562,367</u>
Foster Care - Title IV-E	93.658	CEC-22-2014	261,193
Foster Care - Title IV-E	93.658	800-22-2014	<u>138,730</u>
<b>Subtotal 93.658</b>			<u>399,923</u>
Adoption Assistance	93.659	CEC-22-2014	4,705
Adoption Assistance	93.659	800-22-2014	<u>212,100</u>
<b>Subtotal 93.659</b>			<u>216,805</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, 2014**

Federal Program/Pass Through Program Title	Federal CFDA Number	Pass-Through Grantor Number	Federal Expenditures
<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	\$ 14,343
Block Grants for Community Mental Health Services	93.958	SAMSHA	93,024
Passed through State Department of Child Support Services:			
Child Support Enforcement	93.563	Mariposa	432,957
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	105,710
Immunization Cooperative Agreements	93.268	11-10581	18,275
Children's Health Insurance Program	93.767	CCS	27,876
Maternal and Child Health Services Block Grant to the States	93.994	MCH	56,391
Medical Assistance Program	93.778	CCS	4,193
Medical Assistance Program	93.778	CHDP	33,281
Medical Assistance Program	93.778	HCPCFC	11,465
Medical Assistance Program	93.778	IHSS	37,123
Medical Assistance Program	93.778	MCH	17,483
Medical Assistance Program	93.778	CEC-22-2014	1,032,580
Medical Assistance Program	93.778	10-NNA22	12,953
			<u>1,149,078</u>
<b>Subtotal 93.778</b>			<u>1,149,078</u>
Passed through State Department of Community Services and Development:			
Low-Income Home Energy Assistance	93.568	13B-5022	190,535
Low-Income Home Energy Assistance	93.568	14B-5022	216,347
			<u>406,882</u>
<b>Subtotal 93.568</b>			<u>406,882</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>5,175,974</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	198
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2012-FF-00117	84,244
Emergency Management Performance Grants	97.042	EMW-2011-EP-00048	40,000
Emergency Management Performance Grants	97.042	EMW-2013-EP-00047	108,765
			<u>148,765</u>
<b>Subtotal 97.042</b>			<u>148,765</u>
<b>Total Department of Homeland Security</b>			<u>233,207</u>
<b>Total</b>			<u>\$ 8,857,515</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, 2014**

**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, 2014, 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, 2014**

**6. LOANS WITH CONTINUING COMPLIANCE REQUIREMENTS (CONTINUED)**

The programs listed below had the following aggregate, federally funded loans outstanding at June 30, 2014:

Federal CFDA	Program Title	Amounts Outstanding	
		July 1, 2013	June 30, 2014
14.228	Community Development Block Grants/ State's Program and Non-entitlement Grants in Hawaii	\$ 529,406	\$ 558,571
	Total Loans Outstanding	<u>\$ 529,406</u>	<u>\$ 558,571</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	\$ 176,982
10.666	Schools and Roads - Grants to Counties	<u>1,315</u>
	Total	<u>\$ 178,297</u>

Aging Cluster

93.044	Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	\$ 31,125
93.045	Special Programs for the Aging - Title III, Part C - Nutrition Services	27,711
93.053	Nutrition Services Incentive Program	<u>10,706</u>
	Total	<u>\$ 69,542</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.

CFDA	Federal Expenditures	State Expenditures
93.044	\$ 31,125	\$ -
93.045	27,711	7,240
93.053	<u>10,706</u>	<u>-</u>
Total	<u>\$ 69,542</u>	<u>\$ 7,240</u>



**COUNTY OF MARIPOSA**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2014**

**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, 2014. 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, 2013	For the Year Through June 30, 2014	Cumulative As of June 30, 2014	Federal Share	State Share	County Share
<u>VW13210220 - Victim/Witness Assistance</u>						
Personal services	\$ -	\$ 50,267	\$ 50,267	\$ 28,750	\$ 21,517	\$ -
Operating expenses	-	9,285	9,285	543	8,742	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ -</u>	<u>\$ 59,552</u>	<u>\$ 59,552</u>	<u>\$ 29,293</u>	<u>\$ 30,259</u>	<u>\$ -</u>
<u>ZA13010220 - Domestic Violence Vertical Prosecution Unit</u>						
Personal services	\$ -	\$ 161,116	\$ 161,116	\$ 89,286	\$ -	\$ 71,830
Operating expenses	-	35,844	35,844	35,844	-	-
Equipment	-	700	700	700	-	-
Totals	<u>\$ -</u>	<u>\$ 197,660</u>	<u>\$ 197,660</u>	<u>\$ 125,830</u>	<u>\$ -</u>	<u>\$ 71,830</u>

**COUNTY OF MARIPOSA**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2014**

**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?	Yes
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)?	Yes
4. Identification of major programs:	
10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	
14.228 Community Development Block Grants/State's Program and Non-Entitlement	
15.226 Payments in Lieu of Taxes	
16.588 Violence Against Women Formula Grants	
20.205 Highway Planning and Construction	
93.243 Substance Abuse and Mental Health Services - Projects of Regional and National Significance	
93.558 Temporary Assistance for Needy Families	
93.563 Child Support Enforcement	
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, 2014**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

Prior Period Adjustment	2014-001
Workers' Compensation and Liability Risk Management Underfunded	2014-002

**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, 2014**

**2014-001 Prior Period Adjustment (Material Weakness)**

**Condition**

During our audit we noted the County made prior period adjustments to correct loans receivable and to reclassify cash with fiscal agent bank accounts to agency funds.

**Cause**

The County discovered CDBG loans receivable issued in prior years that had not been recorded in the general ledger. In addition, certain cash with fiscal agent bank accounts were determined to be more appropriately recorded in agency funds.

**Criteria**

An effective internal control system including accounting policies and procedures is necessary to provide reasonable assurance for the completeness of accounting records and proper year end closing.

**Effect of Condition**

Governmental activities beginning net position and governmental funds beginning fund balance were restated as of July 1, 2013.

**Recommendation**

We recommend that the County improve its internal control system and its policies and procedures in reviewing detail general ledger accounts for accuracy.

**Corrective Action Plan**

No additional corrective action is required. The loans receivable have been posted and are now correct. The County has corrected the fiscal agent bank accounts so they are now properly recorded.

**2014-002 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, 2014. During the current fiscal year the deficit in Workers' Compensation decreased from \$546,232 to \$406,881 and the deficit in Liability decreased from \$408,670 to \$317,997. 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.

**COUNTY OF MARIPOSA**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2014**

**2014-002 Workers' Compensation and Liability Risk Management Underfunded (Significant Deficiency) (Continued)**

**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, 2014, 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, 2014**

**2014-003**

**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:** 2013/2014

**Condition**

During our audit of CDBG loans receivable files, we noted that there was no documentation of homeowner's insurance on the property acquired with loan funds.

**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 ten 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**

Every year the County sends out annual verification requests of current homeowners insurance. We do our best to assure that the documents are all current and accurate.

**COUNTY OF MARIPOSA**  
**Schedule of Prior Year Findings and Questioned Costs**  
**For the Year Ended June 30, 2014**

<u>Audit Reference</u>	<u>Status of Prior Audit Recommendations</u>
<b>13-FS-01</b>	<b>Year End Closing Process</b>  <b>Recommendation</b>  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.  <b>Status</b>  Implemented
<b>13-FS-02</b>	<b>Workers Compensation and Liability Risk Management Underfunded</b>  <b>Recommendation</b>  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.  <b>Status</b>  Not Implemented
<b>13-FS-03</b>	<b>Cash Deficit Balance and Decrease in Fund Balance</b>  <b>Recommendation</b>  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.  <b>Status</b>  Implemented

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**Supplemental Schedules 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 Expenditures**  
**CSD Contract No. 13B-5022 (WX) (LIHEAP)**  
**For the Period January 1, 2013 Through January 31, 2014**

	<u>January 1 through June 30, 2013</u>	<u>July 1, 2013 through January 31, 2014</u>	<u>Totals</u>
<b>Revenue</b>			
Grant revenue	\$ 48,516	\$ 72,512	\$ 121,028
Total Revenue	<u>\$ 48,516</u>	<u>\$ 72,512</u>	<u>\$ 121,028</u>
<b>Expenditures</b>			
Administrative costs	\$ -	\$ 9,572	\$ 9,572
Weatherization Program Budget:			
Intake	-	8,372	8,372
Outreach	-	1,296	1,296
Training and technical assistance	-	5,546	5,546
Direct program activities	<u>57,261</u>	<u>38,981</u>	<u>96,242</u>
Total Program Costs	<u>57,261</u>	<u>54,195</u>	<u>111,456</u>
Total Reported Expenditures	<u>\$ 57,261</u>	<u>\$ 63,767</u>	<u>\$ 121,028</u>

**COUNTY OF MARIPOSA**  
**Supplemental Statement of Revenue and Expenditures**  
**CSD Contract No. 13B-5022 (ECIP/HEAP)**  
**For the Period January 1, 2013 Through January 31, 2014**

	<u>January 1 through June 30, 2013</u>	<u>July 1, 2013 through January 31, 2014</u>
<b>Revenue</b>		
Grant revenue	\$ 127,812	\$ 174,246
Total Revenue	<u>\$ 127,812</u>	<u>\$ 174,246</u>
<b>Expenditures</b>		
Assurance 16:		
Assurance 16 program costs	<u>\$ 13,557</u>	<u>\$ 10,170</u>
Administrative costs		
Administrative costs	<u>89</u>	<u>14,719</u>
Intake:		
Intake costs	<u>16,589</u>	<u>8,620</u>
Outreach:		
Outreach	<u>9,104</u>	<u>6,652</u>
Training and technical assistance:		
Training and technical assistance	<u>5,007</u>	<u>799</u>
ECIP HEAP Costs:		
ECIP Wood, propane, and oil payments	106,770	50,552
HEAP Wood, propane, and oil payments	14,080	9,188
Automation supplemental	<u>10,094</u>	<u>26,068</u>
Total ECIP HEAP Costs	<u>130,944</u>	<u>85,808</u>
Total Reported Expenditures	<u>\$ 175,290</u>	<u>\$ 126,768</u>

**Totals**

\$ 302,058

\$ 302,058

\$ 23,727

14,808

25,209

15,756

5,806

157,322

23,268

36,162

216,752

\$ 302,058

**COUNTY OF MARIPOSA**  
**Supplemental Statement of Revenue and Expenditures**  
**CSD Contract No. 14B-5022 (WX) (LIHEAP)**  
**For the Period January 1, 2014 Through June 30, 2014**

	<b>January 1, 2014 through June 30, 2014</b>	<b>Totals</b>
<b>Revenue</b>		
Grant revenue	\$ 23,394	\$ 23,394
Total Revenue	<u>\$ 23,394</u>	<u>\$ 23,394</u>
<b>Expenditures</b>		
Administrative costs	\$ 3,865	\$ 3,865
Weatherization Program Budget:		
Intake	1,057	1,057
Outreach	661	661
Training and technical assistance	1,029	1,029
Direct program activities	31,756	31,756
Liability insurance	<u>307</u>	<u>307</u>
Total Program Costs	<u>34,810</u>	<u>34,810</u>
Total Reported Expenditures	<u>\$ 38,675</u>	<u>\$ 38,675</u>

**COUNTY OF MARIPOSA**  
**Supplemental Statement of Revenue and Expenditures**  
**CSD Contract No. 14B-5022 (ECIP/HEAP)**  
**For the Period January 1, 2014 Through June 30, 2014**

	<b>January 1, 2014 through June 30, 2014</b>	<b>Totals</b>
<b>Revenue</b>		
Grant revenue	\$ 130,682	\$ 130,682
Total Revenue	<u>\$ 130,682</u>	<u>\$ 130,682</u>
<b>Expenditures</b>		
Assurance 16:		
Assurance 16 program costs	\$ 8,203	\$ 8,203
Administrative costs		
Administrative costs	8,060	8,060
Intake:		
Intake costs	9,166	9,166
Outreach:		
Outreach	6,709	6,709
Training and technical assistance:		
Training and technical assistance	825	825
ECIP HEAP Costs:		
ECIP Wood, propane, and oil payments	130,972	130,972
HEAP Wood, propane, and oil payments	13,737	13,737
Total ECIP HEAP Costs	<u>144,709</u>	<u>144,709</u>
Total Reported Expenditures	<u>\$ 177,672</u>	<u>\$ 177,672</u>

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