

**COUNTY OF SIERRA  
SINGLE AUDIT REPORT  
JUNE 30, 2013**

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**COUNTY OF SIERRA**

Single Audit Report  
For the Year Ended June 30, 2013

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

Board of Supervisors  
County of Sierra  
Downieville, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Sierra (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 December 31, 2013.

**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. 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.

**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*.

Board of Supervisors  
County of Sierra

**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.

A handwritten signature in cursive script that reads "Gallina LLP".

Roseville, California  
December 31, 2013



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE  
OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133**

Board of Supervisors  
County of Sierra  
Downieville, California

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

We have audited the County of Sierra'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.

### 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.

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended June 30, 2013, and have issued our report thereon dated December 31, 2013, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



Roseville, California  
December 31, 2013

**COUNTY OF SIERRA**

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

<u>Federal Grantor/Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Agriculture</u>			
Passed through State Department of Social Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	--	\$ 104,945
Passed through State Department of Public Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	--	118,449
Total U.S. Department of Agriculture			<u>\$ 223,394</u>
<u>U.S. Department of Justice</u>			
Passed through Board of State and Community Corrections:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	BSCC 604-12	36,454
			<u>36,454</u>
Passed through California Emergency Management Agency:			
Crime Victim Assistance	16.575	VW12180460	21,646
Justice Assistance Grants:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	DC11210460	57,470
Subtotal CFDA 16.738			<u>57,470</u>
Subtotal Pass-Through			<u>79,116</u>
Total U.S. Department of Justice			<u>\$ 115,570</u>
<u>U.S. Department of Transportation</u>			
Passed through State Department of Transportation:			
Highway Planning and Construction	20.205	RPSTPL-5913(018)	1,229,915
Highway Planning and Construction	20.205	BRLO-5913(046)	352,397
Subtotal CFDA 20.205			<u>1,582,312</u>
Formula Grants for Other than Urbanized Areas	20.509	Section 5311	<u>40,000</u>
Passed through California Emergency Management Agency:			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703		<u>16,850</u>
Total U.S. Department of Transportation			<u>\$ 1,639,162</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF SIERRA**

Schedule of Expenditures of Federal Awards (continued)  
For the Year Ended June 30, 2013

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Health and Human Services</u>			
Passed through State Department of Social Services:			
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	--	\$ 59,145
Temporary Assistance for Needy Families: Temporary Assistance for Needy Families	93.558	--	<u>304,825</u>
Subtotal CFDA 93.558			<u>304,825</u>
Promoting Safe and Stable Families	93.556	--	9,570
Stephanie Tubbs Jones Child Welfare Services-State Grants	93.645	--	9,310
Adoption Assistance	93.659	--	<u>30,840</u>
			<u>30,840</u>
Social Services Block Grant	93.667	--	20,113
Foster Care-Title IV-E: Foster Care-Title IV-E	93.658	--	<u>156,808</u>
Subtotal CFDA 93.658			<u>156,808</u>
Passed through State Department of Health Care Services: Children's Health Insurance Program	93.767	--	<u>6,466</u>
Passed through State Department of Public Health:			
Family Planning Services	93.217	--	30,778
National Bioterrorism Hospital Preparedness Program Grants to Provide Outpatient Early Intervention	93.889	--	86,992
Services with Respect to HIV Disease	93.918	--	1,059
Maternal and Child Health Services Block Grant to the States	93.994	--	<u>13,470</u>
Subtotal Pass-Through			<u>132,299</u>
Passed through the State Department of Mental Health:			
Maternal Child and Health Health Resources and Services Administration	93.994	--	37,419
Block Grants for Community Mental Health Services	93.958	--	<u>48,743</u>
Subtotal Pass-Through			<u>86,162</u>
Passed through State Department of Alcohol and Drug Abuse: Block Grants for Prevention and Treatment of Substance Abuse	93.959	--	<u>379,243</u>
Total U.S. Department of Health and Human Services			<u>\$ 1,194,781</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF SIERRA**

Schedule of Expenditures of Federal Awards (continued)  
For the Year Ended June 30, 2013

<u>Federal Grantor/Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Homeland Security</u>			
Emergency Food and Shelter National Board Program	97.024		<u>\$ 19,625</u>
Passed through California Emergency Management Agency:			
Hazard Mitigation Grant	97.039	FEMA-1731-DR-CA	<u>16,305</u>
Homeland Security Grant Program	97.067	2012-SS-00123	13,224
Homeland Security Grant Program	97.067	2008-006	28,488
Homeland Security Grant Program	97.067	2009-0019	106,573
Homeland Security Grant Program	97.067	2011-SS-0077	26,067
Homeland Security Grant Program	97.067	2010-0085	<u>10,045</u>
Subtotal CFDA 97.067			<u>184,397</u>
Emergency Management Performance Grants	97.042	2012-0027	<u>125,658</u>
Total U.S. Department of Homeland Security			<u>\$ 345,985</u>
Total Expenditures of Federal Awards			<u><u>\$ 3,518,892</u></u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

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**COUNTY OF SIERRA**

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

**NOTE 1: REPORTING ENTITY**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the County of Sierra. The County of Sierra's 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.

**NOTE 2: BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the County and is presented based on Generally Accepted Accounting Principles. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

**NOTE 3: RELATIONSHIP TO FINANCIAL STATEMENTS**

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

**NOTE 4: 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 either determined that no identifying number is assigned for the program or was simply unable to obtain an identifying number from the pass-through entity.

**NOTE 5: TOTAL FEDERAL AWARDS EXPENDED BY CFDA NUMBER**

When there is more than one program under a single CFDA number, the Schedule of Expenditures of Federal Awards totals all programs under the one CFDA number. Occasionally, however, this total could not be conveniently displayed because all programs under one CFDA number were not contiguous. When this occurred, this total is not shown in the Schedule, but instead is provided below:

<u>CFDA No.</u>	<u>Total Federal Expenditures</u>
93.994	\$ 50,889
16.738	\$ 93,924

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**COUNTY OF SIERRA**

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

**Section 1**

Financial Statements

Summary of Auditor's Results

- |  |               |
|--|---------------|
| 1. Type of auditor's report issued:  | Unmodified    |
| 2. Internal controls over financial reporting:                                   |               |
| a. Material weaknesses identified?   | No            |
| b. Significant deficiencies identified not considered to be material weaknesses? | None Reported |
| 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?  | None Reported |
| 2. Type of auditor's report issued on compliance for major programs:  | Unmodified    |
| 3. Any audit findings disclosed that are required to be reported in accordance with Circular OMB A-133, Section 510(a)? | No            |

4. Identification of major programs:

CFDA Number

Name of Federal Program

- |   |                                   |
|---|-----------------------------------|
| 20.205  | Highway Planning and Construction |
| 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? | Yes                               |

**COUNTY OF SIERRA**

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

**Section 2**

Financial Statement Findings

None Reported

**Section 3**

Federal Award Findings and Questioned Costs

None Reported

**COUNTY OF SIERRA**

Summary Schedule of Prior Audit Findings  
As of June 30, 2013

Audit Reference Number	Status of Prior Year Audit Findings
None Noted	

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**SUPPLEMENTARY SCHEDULE  
OF  
THE OFFICE OF EMERGENCY SERVICES  
GRANT EXPENDITURES**

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**COUNTY OF SIERRA**

Supplementary Schedule of the  
California Emergency Management Agency Grant Expenditures  
For the Year Ended June 30, 2013

**California Emergency Management Agency**

The following represents expenditures for California Emergency Management Agency (Cal EMA) programs for the year ended June 30, 2013. The amount reported in the Schedule of Expenditures of Federal Awards is determined by calculating the federal portion of the current year expenditures.

Program	Expenditures Claimed			Budget Variance	Share of Expenditures Current Year		
	For the Period Through June 30, 2012	For the Year Ended June 30, 2013	Cumulative As of June 30, 2013		Federal Share	State Share	County Share
Crime Victim Assistance							
CFDA 16.575							
Personal services	\$ 54,750	\$ 54,012	\$ 108,762	\$ --	\$ 21,606	\$ 32,406	\$ --
Operating expenses	2,338	40	2,378	--	40	--	--
Totals	<u>\$ 57,088</u>	<u>\$ 54,052</u>	<u>\$ 111,140</u>	<u>\$ --</u>	<u>\$ 21,646</u>	<u>\$ 32,406</u>	<u>\$ --</u>
Edward Byrne Memorial Justice Assistance Grant Program							
CFDA 16.738							
Personal services	\$ 11,754	\$ 15,166	\$ 26,920	\$ --	\$ 15,166	\$ --	\$ --
Operating expenses	36,413	42,304	78,717	--	42,304	--	--
Totals	<u>\$ 48,167</u>	<u>\$ 57,470</u>	<u>\$ 105,637</u>	<u>\$ --</u>	<u>\$ 57,470</u>	<u>\$ --</u>	<u>\$ --</u>