MEMORANDUM
PLACER COUNTY AUDIT COMMITTEE

TO: Honorable Board of Supervisors
FROM: Wayne Nader, Chair, Placer County Audit Committee
DATE: July 8, 2014
SUBJ: Annual Report

ACTION REQUESTED
Receive the Annual Report of the Placer County Audit Committee (Committee).

BACKGROUND
In May 2008, your Board created the Placer County Audit Committee primarily in response to new auditing standards issued by the American Institute of Certified Public Accountants. For FY 2013-14, members of the Committee were Supervisor Jim Holmes, Supervisor Jack Duran and Wayne Nader, public member.

The purpose of the Committee is to assist your Board in fulfilling your oversight responsibilities by monitoring the financial reporting process, the overall systems of internal control and risk mitigation, compliance with laws and regulations, and the independence and performance of the County's internal and external auditors. To that end, the Committee is required to present annually to the full Board a written report of how it has discharged its duties and met its responsibilities.

REPORT
Over the past year the Committee met four times. At those meetings, Macias, Gini & O'Connell LLP, the external auditors, met with the Committee to discuss the audits being performed of the County: the Comprehensive Annual Financial Report, Single Audit, First 5 Commission, Placer County Air Pollution Control District, Mosquito and Vector Control District, Tahoe Area Regional Transit, Western Placer Waste Management Authority, Golden Sierra Job Training Agency and the Treasury Review Panel for the fiscal year ended June 30, 2013. Those discussions included information regarding the scope and timing of the audits, their understanding of the County's internal controls, significant accounting policies and their affect on the financial statements, and management's use of estimates in the financial statements. Macias, Gini & O'Connell LLP also reported that there were no serious difficulties encountered in performing the audits, no disagreements with management and no significant adjustments or disclosures not reflected in the financial statements.

The Committee reviewed and commented on the FY 2013-14 Audit Plan for the Internal Audit Division of the Auditor-Controller's Office.
The Assistant Auditor-Controller apprised the Committee of audit projects completed and in process and the resulting findings and recommendations. Projects included, but were not limited to, the following:

- Countywide tool reimbursement claims review
- Countywide boot reimbursement claims review
- Annual inventory reviews
- Credit card reviews (monthly monitoring and departmental audits)
- Quarterly Treasury reviews
- Taxable meal review
- Department head change reviews (Facilities, HHS)
- Six month follow-up reviews
- District Attorney Agreed Upon Procedures – First 5 Grant
- Transient Occupancy Tax reviews
- Social security number truncation review
- Newcastle Fire Protection District audit
- Solano County peer review
- Personnel departmental review
- Countywide payroll review (monthly monitoring)
- Confidential document review
- Peer review (performed by Yolo County)

CONCLUSION
Based on the conversations with Macias, Gini and O'Connell LLP and Auditor-Controller Management, the Committee believes that the County's system of internal controls is in place and operating effectively and its financial reporting processes are adequate to ensure the financial statements fairly present its financial position.

Copies of the County's Comprehensive Annual Financial Report have previously been submitted to your Board. Copies of the County's Single Audit Report and Report to the Board of Supervisors are included in this packet for your review. In addition, copies of all other audit reports issued by Macias, Gini and O'Connell or the Internal Audit Division have been presented to the Audit Committee and are available to the full Board upon request.
COUNTY OF PLACER, CALIFORNIA

Single Audit Reports
(OMB Circular A-133)

For the Fiscal Year Ended June 30, 2013

MGO Certified Public Accountants.
COUNTY OF PLACER, CALIFORNIA
SINGLE AUDIT REPORTS
(OMB CIRCULAR A-133)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

TABLE OF CONTENTS

Page(s)

Amended and Restated Schedule of Expenditures of Federal Awards................................................. 1-4

Notes to the Amended and Restated Schedule of Expenditures of Federal Awards................................. 5-9

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................................................................. 10-11

Independent Auditor's Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133 .................................................. 12-14

Schedule of Findings and Questioned Costs............................................................................................ 15-23

Summary Schedule of Prior Audit Findings............................................................................................ 24-35
## COUNTY OF PLACER, CALIFORNIA

Amended and Restated Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2013

<table>
<thead>
<tr>
<th>Federal Grantor/Pass-Through Grantor/Program or Cluster title Title</th>
<th>Federal CFDA Number</th>
<th>Pass-Through Entity Identifying Number</th>
<th>Federal Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>U.S. Department of Agriculture</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lake Tahoe Erosion Control Grant Program</td>
<td>10.690</td>
<td></td>
<td>$ 2,001,793</td>
</tr>
<tr>
<td>Forest Products Lab. Technology Marketing Unit (TMU)</td>
<td>10.674</td>
<td></td>
<td>129,693</td>
</tr>
<tr>
<td>Tahoe National Forest Cooperative Law Enforcement Agreement</td>
<td>10 unknown</td>
<td>12-LE-11051360-006</td>
<td>33,214</td>
</tr>
<tr>
<td>Direct subtotal</td>
<td></td>
<td></td>
<td>2,164,700</td>
</tr>
<tr>
<td>Passed through State Department of Social Services:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)</td>
<td>10.561</td>
<td>31 CEC</td>
<td>4,206,471</td>
</tr>
<tr>
<td>Passed through State Department of Public Health:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)</td>
<td>10.561</td>
<td>11-10746 / 12-10180</td>
<td>108,201</td>
</tr>
<tr>
<td>Subtotal - SNAP Cluster</td>
<td></td>
<td></td>
<td>4,314,672</td>
</tr>
<tr>
<td>Special Supplemental Nutrition Program for Women, Infants, and Children</td>
<td>10.557</td>
<td>11-10481</td>
<td>952,773</td>
</tr>
<tr>
<td>Passed through State Department of Education:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National School Lunch Program</td>
<td>10.555</td>
<td>02118-SN-31-R</td>
<td>45,427</td>
</tr>
<tr>
<td>Passed through State Department of Food and Agriculture:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ARRA - Plant and Animal Disease, Pest Control, and Animal Care</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sudden Oak Death</td>
<td>10.025</td>
<td>11-8523-0572-CA</td>
<td>5,614</td>
</tr>
<tr>
<td>Glassy-winged Sharpshooter</td>
<td>10.025</td>
<td>12-8506-0484-CA</td>
<td>35,870</td>
</tr>
<tr>
<td>Glassy-winged Sharpshooter</td>
<td>10.025</td>
<td>12-8506-0484-CA</td>
<td>29,098</td>
</tr>
<tr>
<td>Light Brown Apple Moth</td>
<td>10.025</td>
<td>11-8520-1164-CA</td>
<td>5,952</td>
</tr>
<tr>
<td>Asian Citrus Psyllid</td>
<td>10.025</td>
<td>11-8520-1211-CA</td>
<td>3,477</td>
</tr>
<tr>
<td>Asian Citrus Psyllid</td>
<td>10.025</td>
<td>12-8506-1211-CA</td>
<td>12,430</td>
</tr>
<tr>
<td>Asian Citrus Psyllid</td>
<td>10.025</td>
<td>12-8506-1211-CA</td>
<td>2,140</td>
</tr>
<tr>
<td>Subtotal - ARRA - Plant and Animal Disease, Pest Control &amp; Animal Care</td>
<td>10.555</td>
<td></td>
<td>94,581</td>
</tr>
<tr>
<td>Passed through California Department of Forestry and Fire Protection</td>
<td>10.664</td>
<td>TFG12061</td>
<td>11,702</td>
</tr>
<tr>
<td>Passed through subtotal</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total U.S. Department of Agriculture</td>
<td></td>
<td></td>
<td>7,583,855</td>
</tr>
<tr>
<td><strong>U.S. Department of Commerce</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passed through City and County of San Francisco:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Safety Interoperable Communications Grant Program</td>
<td>11.555</td>
<td>075-95017</td>
<td>39,000</td>
</tr>
<tr>
<td>Total U.S. Department of Commerce</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>U.S. Department of Housing and Urban Development</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Section 8 Housing Choice Vouchers</td>
<td>14.871</td>
<td>CA 149</td>
<td>2,306,836</td>
</tr>
<tr>
<td>Passed through County of Sacramento:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Housing Opportunities for Persons with AIDS</td>
<td>14.241</td>
<td>PLA-01-11</td>
<td>32,757</td>
</tr>
<tr>
<td>Passed through State Department of Housing and Community Development:</td>
<td>14.218</td>
<td>10-STBG-6733</td>
<td>5,388</td>
</tr>
<tr>
<td>Community Development Block Grants/Entitlement Grants</td>
<td></td>
<td>Loans</td>
<td>1,958,882</td>
</tr>
<tr>
<td>Subtotal - Community Development Block Grants/Entitlement Grants</td>
<td></td>
<td></td>
<td>1,964,270</td>
</tr>
<tr>
<td>Supportive Housing Program</td>
<td>14.235</td>
<td>HUD-27053-A-63</td>
<td>284,874</td>
</tr>
<tr>
<td>Shelter Plus Care</td>
<td>14.238</td>
<td>HUD-27053-B-63</td>
<td>288,180</td>
</tr>
<tr>
<td>Home Investment Partnerships Program</td>
<td>14.239</td>
<td>10-HOME-6345</td>
<td>929,313</td>
</tr>
<tr>
<td>Home Investment Partnerships Program</td>
<td>14.239</td>
<td>10-HOME-6853</td>
<td>120,453</td>
</tr>
<tr>
<td>Home Investment Partnerships Program</td>
<td>14.239</td>
<td>Loans</td>
<td>3,651,745</td>
</tr>
<tr>
<td>Subtotal - Home Investment Partnerships Program</td>
<td></td>
<td></td>
<td>4,761,511</td>
</tr>
<tr>
<td>Passed through subtotal</td>
<td></td>
<td></td>
<td>7,271,892</td>
</tr>
<tr>
<td>Total U.S. Department of Housing and Urban Development</td>
<td></td>
<td></td>
<td>9,578,428</td>
</tr>
</tbody>
</table>

See accompanying notes to the schedule of expenditures of federal awards.
### COUNTY OF PLACER, CALIFORNIA

Amended and Restated Schedule of Expenditures of Federal Awards (Continued)

For the Fiscal Year Ended June 30, 2013

<table>
<thead>
<tr>
<th>Federal Grantor/Pass-Through Grantor/Program or Cluster title Title</th>
<th>Federal CFDA Number</th>
<th>Pass-Through Entity Identifying Number</th>
<th>Federal Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>U.S. Department of the Interior</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Secure Rural Schools and Community Self-Determination</td>
<td>15.234</td>
<td>HR2389 $</td>
<td>135,679</td>
</tr>
<tr>
<td>Fish and Wildlife Coordination Act</td>
<td>15.517</td>
<td>Various $</td>
<td>81,991</td>
</tr>
<tr>
<td>Direct Subtotal</td>
<td></td>
<td></td>
<td>217,670</td>
</tr>
<tr>
<td>Passed through State Department of Transportation:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Southern Nevada Public Land Management</td>
<td>15.235</td>
<td>STPLER-5919 (054)</td>
<td>1,109,454</td>
</tr>
<tr>
<td>Total U.S. Department of the Interior</td>
<td></td>
<td></td>
<td>1,327,124</td>
</tr>
<tr>
<td><strong>U.S. Department of Justice</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Safety Partnership and Community Policing Grants</td>
<td>16.710</td>
<td>2004CKWX0050</td>
<td>63,516</td>
</tr>
<tr>
<td>Public Safety Partnership and Community Policing Grants</td>
<td>16.710</td>
<td>2011UMWX0026</td>
<td>325,880</td>
</tr>
<tr>
<td>Subtotal - Public Safety Partnership and Community Policing Grants</td>
<td></td>
<td></td>
<td>389,396</td>
</tr>
<tr>
<td>Edward Byrne Memorial Justice Assistance Grant Program</td>
<td>16.738</td>
<td>2012-DJ-BX-0864</td>
<td>23,241</td>
</tr>
<tr>
<td>Drug Enforcement Administration</td>
<td>16 unknown</td>
<td>2011-40</td>
<td>75,080</td>
</tr>
<tr>
<td>State Criminal Alien Assistance Program (SCAAP)</td>
<td>16.606</td>
<td>2012-AP-BX-0493</td>
<td>78,189</td>
</tr>
<tr>
<td>Direct subtotal</td>
<td></td>
<td></td>
<td>565,786</td>
</tr>
<tr>
<td>Passed through Board of State and Community Corrections:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Edward Byrne Memorial Justice Assistance Grant Program</td>
<td>16.738</td>
<td>BSCC 627-12</td>
<td>116,281</td>
</tr>
<tr>
<td>Edward Byrne Memorial Justice Assistance Grant Program</td>
<td>16.738</td>
<td>BSCC 670-12</td>
<td>106,609</td>
</tr>
<tr>
<td>Passed through California Emergency Management Agency:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Edward Byrne Memorial Justice Assistance Grant Program</td>
<td>16.738</td>
<td>MS100101010</td>
<td>86,378</td>
</tr>
<tr>
<td>Subtotal - Edward Byrne Memorial Justice Assistance Grant</td>
<td></td>
<td></td>
<td>309,268</td>
</tr>
<tr>
<td>Crime Victim Assistance</td>
<td>16.575</td>
<td>VW12300310</td>
<td>81,974</td>
</tr>
<tr>
<td>ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants To Unis Of Local Government</td>
<td>16.804</td>
<td>ZA09010310</td>
<td>7,864</td>
</tr>
<tr>
<td>Passed through County of Sacramento:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High Intensity Drug Trafficking Areas Program</td>
<td>95.001</td>
<td>MAVMIT</td>
<td>27,196</td>
</tr>
<tr>
<td>Passed through subtotal</td>
<td></td>
<td></td>
<td>436,702</td>
</tr>
<tr>
<td>Total U.S. Department of Justice</td>
<td></td>
<td></td>
<td>992,408</td>
</tr>
<tr>
<td><strong>U.S. Department of Labor</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passed through EDD:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WIA Dislocated Worker Formula Grants - NEXT Grant</td>
<td>17.278</td>
<td>K386295-05</td>
<td>17,444</td>
</tr>
<tr>
<td><strong>U.S. Department of Transportation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Transit - Formula Grants (Section 5307)</td>
<td>20.507</td>
<td>CA-96-X054</td>
<td>539,341</td>
</tr>
<tr>
<td>Paul S. Sarbanes Transit in the Parks</td>
<td>20.520</td>
<td>CA-20-X008-00</td>
<td>858,533</td>
</tr>
<tr>
<td>Direct subtotal</td>
<td></td>
<td></td>
<td>1,397,874</td>
</tr>
<tr>
<td>Passed through California State Department of Transportation:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Highway Planning and Construction</td>
<td>20.205</td>
<td>03-928899L</td>
<td>24,534,382</td>
</tr>
<tr>
<td>Formula Grants for Other than Urbanized Areas (Section 5311)</td>
<td>20.509</td>
<td>pending</td>
<td>291,197</td>
</tr>
<tr>
<td>Formula Grants for Other than Urbanized Areas (Section 5311)</td>
<td>20.509</td>
<td>pending</td>
<td>65,800</td>
</tr>
<tr>
<td>Subtotal</td>
<td></td>
<td></td>
<td>267,177</td>
</tr>
<tr>
<td>Passed through State of Nevada Department of Transportation:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Formula Grants for Other than Urbanized Areas (Section 5311)</td>
<td>20.509</td>
<td>PB424-12-402</td>
<td>218,629</td>
</tr>
<tr>
<td>Formula Grants for Other than Urbanized Areas (Section 5311)</td>
<td>20.509</td>
<td>519-11-402</td>
<td>61,183</td>
</tr>
<tr>
<td>Subtotal</td>
<td></td>
<td></td>
<td>279,812</td>
</tr>
<tr>
<td>Subtotal - Formula Grants for Other than Urbanized Areas</td>
<td></td>
<td></td>
<td>636,989</td>
</tr>
<tr>
<td>Passed through State Office of Traffic Safety:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minimum Penalties for Repeat Offenders for Driving While Intoxicated</td>
<td>20.608</td>
<td>20335</td>
<td>59,603</td>
</tr>
</tbody>
</table>

See accompanying notes to the schedule of expenditures of federal awards.
<table>
<thead>
<tr>
<th>Federal Grantor/Pass-Through Grantor/Program or Cluster title</th>
<th>Federal Expenditures</th>
<th>Pass-Through Expenditures</th>
<th>Federal CFDA Number</th>
<th>Pass-Through CFDA Number</th>
<th>Federal Entity Identifying Number</th>
<th>Pass-Through Entity Identifying Number</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>U.S. Department of Transportation (Continued)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passed through Sacramento Regional Transit:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job Access - Reverse Commute</td>
<td>45,281</td>
<td></td>
<td>26,276,355</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passed through subtotal</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total U.S. Department of Transportation</td>
<td>26,674,129</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>U.S. Environmental Protection Agency</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surveys, Studies, Investigations and Special Purpose Grant</td>
<td>2,886,584</td>
<td></td>
<td>66,606</td>
<td></td>
<td>XP-98568906</td>
<td></td>
</tr>
<tr>
<td>Brownfields Assessment and Cleanup Cooperative Agreements</td>
<td>3,431</td>
<td></td>
<td>66,818</td>
<td></td>
<td>BF-00742601-0</td>
<td></td>
</tr>
<tr>
<td>Direct Subtotal</td>
<td>2,890,015</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passed through State Water Resources Control Board:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonpoint Source Implementation Grants</td>
<td>30,955</td>
<td></td>
<td>66,460</td>
<td></td>
<td>10-448-556</td>
<td></td>
</tr>
<tr>
<td>subtotal</td>
<td>139,630</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passed through U.S. Army Corps of Engineers:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction Grants for Wastewater Treatment Works</td>
<td>686,902</td>
<td></td>
<td>66,418</td>
<td></td>
<td>134092</td>
<td></td>
</tr>
<tr>
<td>Passed through subtotal</td>
<td>826,532</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total U.S. Environmental Protection Agency</td>
<td>3,716,547</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>U.S. Department of Energy</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regional Biomass Energy Programs</td>
<td>200,474</td>
<td></td>
<td>81.079</td>
<td></td>
<td>DE-FG06-08GO88026</td>
<td></td>
</tr>
<tr>
<td>Total U.S. Department of Energy</td>
<td>200,474</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>U.S. Department of Health and Human Services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health Care and Other Facilities</td>
<td>316,884</td>
<td></td>
<td>93.887</td>
<td></td>
<td>C78HF09820</td>
<td></td>
</tr>
<tr>
<td>Direct subtotal</td>
<td>316,884</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passed through California Secretary of State:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Voting Access for Individuals with Disabilities - Grants to State</td>
<td>5,036</td>
<td></td>
<td>93.617</td>
<td></td>
<td>09G26101</td>
<td></td>
</tr>
<tr>
<td>Voting Access for Individuals with Disabilities - Grants to State</td>
<td>6,401</td>
<td></td>
<td>93.617</td>
<td></td>
<td>11G26128</td>
<td></td>
</tr>
<tr>
<td>Subtotal - HAVA</td>
<td>11,437</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passed through California Family Health Council:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Family Planning Services</td>
<td>90,753</td>
<td></td>
<td>93.217</td>
<td></td>
<td>3003-5320-71209-10 &amp; 3003-5320-71209-13</td>
<td></td>
</tr>
<tr>
<td>Drug-Free Communities Support Program Grants</td>
<td>115,016</td>
<td></td>
<td>93.276</td>
<td></td>
<td>H739895831-01-01</td>
<td></td>
</tr>
<tr>
<td>Passed through State Department of Social Services:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Guardianship Assistance</td>
<td>5,208</td>
<td></td>
<td>93.090</td>
<td></td>
<td>63 CEC</td>
<td></td>
</tr>
<tr>
<td>Temporary Assistance for Needy Families (TANF) - Admin</td>
<td>8,886,116</td>
<td></td>
<td>93.558</td>
<td></td>
<td>31 CEC</td>
<td></td>
</tr>
<tr>
<td>Temporary Assistance for Needy Families (TANF) - Direct</td>
<td>2,992,723</td>
<td></td>
<td>93.558</td>
<td></td>
<td>CA8003-31</td>
<td></td>
</tr>
<tr>
<td>Subtotal - TANF Cluster</td>
<td>11,478,839</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Child Support Enforcement (Title IV-D)</td>
<td>3,858,795</td>
<td></td>
<td>93.563</td>
<td></td>
<td>CS356-1-24</td>
<td></td>
</tr>
<tr>
<td>Refugee and Emergent Assistance - State Administered Programs</td>
<td>12,332</td>
<td></td>
<td>93.566</td>
<td></td>
<td>CA8003-31</td>
<td></td>
</tr>
<tr>
<td>Promoting Safe and Stable Families (PSSF)</td>
<td>74,897</td>
<td></td>
<td>93.556</td>
<td></td>
<td>63 CEC</td>
<td></td>
</tr>
<tr>
<td>Subtotal - Refugee Assistance</td>
<td>87,259</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stephanie Tubbs Jones Child Welfare Services Program</td>
<td>263,678</td>
<td></td>
<td>93.645</td>
<td></td>
<td>63 CEC</td>
<td></td>
</tr>
<tr>
<td>Foster Care (Title IV-E) - Administration</td>
<td>3,800,214</td>
<td></td>
<td>93.658</td>
<td></td>
<td>63 CEC</td>
<td></td>
</tr>
<tr>
<td>Foster Care (Title IV-E) - Direct</td>
<td>1,486,303</td>
<td></td>
<td>93.658</td>
<td></td>
<td>CA8003-31</td>
<td></td>
</tr>
<tr>
<td>Subtotal - Foster Care (Title IV-E)</td>
<td>5,286,817</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adoption Assistance - Administration</td>
<td>196,053</td>
<td></td>
<td>93.659</td>
<td></td>
<td>63 CEC</td>
<td></td>
</tr>
<tr>
<td>Adoption Assistance - Direct</td>
<td>2,283,026</td>
<td></td>
<td>93.659</td>
<td></td>
<td>CA8003-31</td>
<td></td>
</tr>
<tr>
<td>Subtotal - Adoption Assistance</td>
<td>2,479,079</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Services Block Grant</td>
<td>258,988</td>
<td></td>
<td>93.667</td>
<td></td>
<td>63 CEC</td>
<td></td>
</tr>
<tr>
<td>Chaffee Foster Care Independence Program</td>
<td>107,386</td>
<td></td>
<td>93.674</td>
<td></td>
<td>63 CEC</td>
<td></td>
</tr>
<tr>
<td>Passed through Dept Social Services subtotal</td>
<td>23,825,719</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

See accompanying notes to the schedule of expenditures of federal awards.
COUNTY OF PLACER, CALIFORNIA
Amended and Restated Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2013

<table>
<thead>
<tr>
<th>Federal Grantor/Pass-Through Grantor/Program or Cluster</th>
<th>CFDA Number</th>
<th>Pass-Through Entity Identifying Number</th>
<th>Federal Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>U.S. Department of Health and Human Services (Continued)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passed through State Department of Community Services and Development: Community Services Block Grant</td>
<td>93.569</td>
<td>12F-4431</td>
<td>$149,286</td>
</tr>
<tr>
<td><strong>Subtotal - Community Services Block Grant Cluster</strong></td>
<td>149,286</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passed through State Department of Alcohol and Drug Programs: Block Grants for Prevention and Treatment of Substance Abuse</td>
<td>93.959</td>
<td>10-NNA31</td>
<td>1,528,768</td>
</tr>
<tr>
<td>Passed through State Department of Mental Health: Projects for Assistance in Transition from Homelessness (PATH)</td>
<td>93.150</td>
<td>MH 1784-63</td>
<td>39,077</td>
</tr>
<tr>
<td>Block Grants for Community Mental Health Services</td>
<td>93.958</td>
<td>MH 1784-63</td>
<td>697,072</td>
</tr>
<tr>
<td><strong>Passed through State Department of Health Care Services:</strong> Medical Assistance Program - Administration</td>
<td>93.778</td>
<td>07-65603</td>
<td>7,137,610</td>
</tr>
<tr>
<td><strong>Passed through State Department of Public Health:</strong> Public Health Emergency Preparedness Program</td>
<td>93.069</td>
<td>EPO 12-31</td>
<td>548,932</td>
</tr>
<tr>
<td>Childhood Lead Poisoning Prevention Projects - State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children</td>
<td>93.197</td>
<td>10-95231</td>
<td>6,944</td>
</tr>
<tr>
<td>Immunization Cooperative Agreements</td>
<td>93.268</td>
<td>10-95231</td>
<td>95,858</td>
</tr>
<tr>
<td>National Bioterrorism Hospital Preparedness Program</td>
<td>93.889</td>
<td>EPO 12-31</td>
<td>157,736</td>
</tr>
<tr>
<td>Maternal and Child Health Service Block Grant to the States</td>
<td>93.994</td>
<td>10-95231</td>
<td>430,917</td>
</tr>
<tr>
<td>Adolescent Family Life Demonstration Projects</td>
<td>93.995</td>
<td>10-95231</td>
<td>136,260</td>
</tr>
<tr>
<td><strong>Passed through State Dept of Public Health</strong></td>
<td>1,476,647</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Passed through the County of Sacramento:</strong> HIV Emergency Relief Project Grants</td>
<td>93.914</td>
<td>7235-07/12-706 A-6</td>
<td>129,742</td>
</tr>
<tr>
<td><strong>Passed through subtotal</strong></td>
<td>35,102,127</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total U.S. Department of Health and Human Services</strong></td>
<td>35,419,011</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| **U.S. Department of Homeland Security** |
| Direct: Assistance to Firefighter Grant 2011 | 97.044 | EMW-2011-FO-01568 | 162,677 |
| Assistance to Firefighter Grant 2012 | 97.044 | EMW-2012-FF-00263 | 332,193 |
| **Direct subtotal** | 494,870 |
| **Subtotal - Emergency Management Performance Grants** | 196,264 |
| Homeland Security Grant Program 2010 (HSGP) | 97.067 | 2010-0085 | 541,924 |
| Homeland Security Grant Program 2011 (HSGP) | 97.067 | 2011-SS-0077 | 97,571 |
| Homeland Security Grant Program 2012 (HSGP) | 97.067 | 2012-SS-00123 | 97,514 |
| **Subtotal - State Homeland Security Program (SHSP)** | 737,009 |
| **Passed through subtotal** | 933,373 |
| **Total U.S. Department of Homeland Security** | 1,428,243 |

| **Total Expenditures of Federal Awards** | 86,976,663 |

See accompanying notes to the schedule of expenditures of federal awards.
COUNTY OF PLACER, CALIFORNIA

Notes to the Amended and Restated Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2013

Note 1: Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards (SEFA) presents the activity of all federal award programs of the County of Placer (the County). The County’s reporting entity is defined in Note 1 to the County’s basic financial statements. Expenditures of federal awards received directly from federal agencies, as well as expenditures of federal awards passed through other governmental agencies, are included in the SEFA. Expenditures funded by the American Recovery and Reinvestment Act of 2009 are denoted by the prefix “ARRA” in the federal program title.

Note 2: Basis of Accounting

The accompanying SEFA is presented using the modified accrual basis of accounting for program expenditures accounted for in governmental funds and the accrual basis of accounting for expenditures accounted for in proprietary funds, as described in Note 1 of the County’s basic financial statements.

Note 3: Relationship to Financial Statements

Federal award expenditures reported in the accompanying SEFA agree, or can be reconciled, in all material respects, to amounts reported in the County’s basic financial statements.

Note 4: Catalog of Federal Domestic Assistance (CFDA)

The CFDA numbers included in the accompanying SEFA were determined based on the program name, review of grant or contract information and the Office of Management and Budget’s Catalog of Federal Domestic Assistance.

Note 5: Pass-Through Entities’ Identifying Number

When federal awards are received from a pass-through entity, the SEFA indicates, if assigned, the identifying grant or contract number that has been assigned by the pass-through entity.
**COUNTY OF PLACER, CALIFORNIA**

Notes to the Amended and Restated Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2013

Note 6: **Program Totals**

The SEFA does not summarize programs that cross agency funding. The following summarizes those programs that cross agency funding:

<table>
<thead>
<tr>
<th>CFDA No.</th>
<th>Program Name</th>
<th>Pass-Through Agency</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>16.738</td>
<td>Edward Byrne Memorial Justice Assistance Grant Program</td>
<td>N/A Direct</td>
<td>$ 23,241</td>
</tr>
<tr>
<td>16.738</td>
<td>Edward Byrne Memorial Justice Assistance Grant Program</td>
<td>Board of State and Community Corrections</td>
<td>222,890</td>
</tr>
<tr>
<td>16.738</td>
<td>Edward Byrne Memorial Justice Assistance Grant Program</td>
<td>California Emergency Management Agency</td>
<td>86,378</td>
</tr>
<tr>
<td>16.804</td>
<td>Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants To Units Of Local Government</td>
<td>California Emergency Management Agency</td>
<td>7,864</td>
</tr>
</tbody>
</table>

**Justice Assistance Grant Program Cluster**

$ 340,373
Note 7: California Emergency Management Agency (CalEMA) Grants

The following represents expenditures for the CalEMA programs for the fiscal year ended June 30, 2013. The amounts reported in the SEFA are determined by calculating the federal portion of the current year expenditures.

<table>
<thead>
<tr>
<th>Program</th>
<th>Total</th>
<th>Federal Share</th>
<th>State Share</th>
<th>County Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Edward Byrne Memorial Justice Assistance Grant Program:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MS10010310 - Marijuana Suppression Project</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal services</td>
<td>$ 44,665</td>
<td>$ 44,665</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>$ 41,713</td>
<td>41,713</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Totals</td>
<td>$ 86,378</td>
<td>$ 86,378</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>ZA09010310 - ADA Enforcement Team Recovery Act Program</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal services</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>$ 7,864</td>
<td>7,864</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Totals</td>
<td>$ 7,864</td>
<td>$ 7,864</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Crime Victim Assistance:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VW12300310 - Victim Witness Assistance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal services</td>
<td>$ 186,998</td>
<td>$ 81,974</td>
<td>$ 105,024</td>
<td>-</td>
</tr>
</tbody>
</table>
COUNTY OF PLACER, CALIFORNIA

Notes to the Amended and Restated Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2013

Note 8:  **Community Services Block Grants**

The Department of Community Services and Development (CSD) of the State of California Health and Human Services Agency requires agencies that receive CSD funding to include with the single audit report certain revenue, expenditure, and budgetary information for each CSD award.

The following represents revenues and expenditures for the CSD contract number 12F-4431 for the fiscal year ended June 30, 2013.

<table>
<thead>
<tr>
<th></th>
<th>Actual January 1, 2012 through June 30, 2012</th>
<th>Actual July 1, 2012 through December 31, 2012</th>
<th>Totals</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grant Revenue</td>
<td>$ 84,689</td>
<td>$ 149,286</td>
<td>$ 233,975</td>
<td>$ 249,940</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Personnel Costs:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and wages</td>
<td>$ 13,999</td>
<td>$ 12,224</td>
<td>$ 26,223</td>
<td>$ 30,431</td>
</tr>
<tr>
<td>Fringe benefits</td>
<td>$ 5,836</td>
<td>$ 2,563</td>
<td>$ 8,399</td>
<td>$ 12,586</td>
</tr>
<tr>
<td>Total Personnel Costs</td>
<td>$ 19,835</td>
<td>$ 14,787</td>
<td>$ 34,622</td>
<td>$ 43,017</td>
</tr>
<tr>
<td><strong>Non-Personnel Costs:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating expenses and supplies</td>
<td>$ 2,867</td>
<td>$ 2,082</td>
<td>$ 4,949</td>
<td>$ 10,593</td>
</tr>
<tr>
<td>Subcontractors</td>
<td>$ 61,987</td>
<td>$ 132,417</td>
<td>$ 194,404</td>
<td>$ 196,330</td>
</tr>
<tr>
<td>Total Non-Personnel Costs</td>
<td>$ 64,854</td>
<td>$ 134,499</td>
<td>$ 199,353</td>
<td>$ 206,923</td>
</tr>
<tr>
<td><strong>Total Costs</strong></td>
<td>$ 84,689</td>
<td>$ 149,286</td>
<td>$ 233,975</td>
<td>$ 249,940</td>
</tr>
</tbody>
</table>
Note 9: **Subrecipients**

Of the federal expenditures presented in the SEFA, the County provided federal awards to subrecipients under the following CFDA Numbers:

<table>
<thead>
<tr>
<th>CFDA Number</th>
<th>Program/Cluster Name</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>14.241</td>
<td>Housing Opportunities for Persons with AIDS</td>
<td>$32,757</td>
</tr>
<tr>
<td>93.569</td>
<td>Community Services Block Grant</td>
<td>132,417</td>
</tr>
<tr>
<td>93.914</td>
<td>HIV Emergency Relief Project Grants</td>
<td>129,742</td>
</tr>
<tr>
<td>97.067</td>
<td>State Homeland Security Program</td>
<td>193,038</td>
</tr>
</tbody>
</table>

Note 10: **Loan Programs**

The County participates in certain federal award programs that sponsor revolving loan programs, which are administered by the County. These programs maintain servicing and trust arrangements with the County to collect loan repayments. The funds are returned to the programs upon repayment of the principal and interest and programs funded by these repayments are reported as expenditures in the Schedule. The federal government has imposed certain continuing compliance requirements with respect to the loans rendered under the programs. In accordance with Subpart B, Section 205 of the Office of Management and Budget Circular A-133, the County has reported the value of total outstanding and new loans made during the current year.

The following is a summary of the loan program balances and activities that have continuing compliance requirements at June 30, 2013.

<table>
<thead>
<tr>
<th>Program Title</th>
<th>June 30, 2013 Loans</th>
<th>Prior Year Loans With Continuing Compliance Requirements</th>
<th>Fiscal Year 2013 Loan Disbursements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Development Block Grants</td>
<td>CFDA Number: 14.218</td>
<td>$1,958,882</td>
<td>$1,958,882</td>
</tr>
<tr>
<td>Home Investment Partnership Program</td>
<td>CFDA Number: 14.239</td>
<td>$4,665,442</td>
<td>$3,651,745</td>
</tr>
</tbody>
</table>

Note 11: **Restatement of Schedule of Expenditures of Federal Awards**

The federal expenditures previously reported in the Schedule of Expenditures of Federal Awards for the year ended June 30, 2013 have been amended and restated due to the addition of federal expenditures related to CFDA No. 66.458 ARRA – Capitalization Grants for Clean Water State Revolving Funds program previously omitted from the original Schedule of Expenditures of Federal Awards. The unreported expenditures for this program amounted to $108,675.
INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Supervisors and Grand Jury
County of Placer
Auburn, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Placer, California (the County) as of and for the fiscal 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 November 18, 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 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 combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies 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 over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2013-A and 2013-B that we consider to be significant deficiencies in internal control over financial reporting.
Compliance and Other Matters

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

County’s Response to Findings

The County’s responses 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 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.

Sacramento, California
November 18, 2013
INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

Board of Supervisors and Grand Jury
County of Placer
Auburn, California

Report on Compliance for Each Major Federal Program

We have audited the County of Placer, California’s (the 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 fiscal 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 fiscal year ended June 30, 2013.
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 items 2013-001 and 2013-002. 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 as a basis for designing 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, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance as described in the accompanying schedule of findings and questioned costs as items 2013-001, 2013-002 and 2013-003, that we consider to be significant deficiencies.

The County’s responses to the internal control over compliance 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.

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 Amended and Restated Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements. We issued our report thereon dated November 18, 2013, 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 County’s 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.

This reissued report is replacing the original report on the schedule of expenditures of federal awards for the fiscal year ended June 30, 2013 issued on March 27, 2014. As described in Note 11, the County’s schedule of expenditures of federal awards (the Schedule) was amended and restated to include federal expenditures that were omitted in the original Schedule for the fiscal year ended June 30, 2013.

The Schedule 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.

Sacramento, California
March 27, 2014, except for our report on
the amended and restated schedule of expenditures of federal awards,
for which the date is May 21, 2014
COUNTY OF PLACER, CALIFORNIA

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

Section I – Summary of Auditor’s Results

Financial Statements:
Type of auditor’s report issued: Unmodified
Internal control over financial reporting:
  • Material weakness(es) identified? No
  • Significant deficiencies identified that are not considered to be material weaknesses? Yes
Noncompliance material to financial statements noted? No

Federal Awards:
Internal control over major programs:
  • Material weakness(es) identified? No
  • Significant deficiencies identified that are not considered to be material weaknesses? Yes
Type of auditor’s report issued on compliance for major programs: Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? Yes
### Identification of major programs:

<table>
<thead>
<tr>
<th>Program Title</th>
<th>CFDA Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highway Planning and Construction</td>
<td>20.205</td>
</tr>
<tr>
<td>Surveys, Studies, Investigations and Special Purpose Grant</td>
<td>66.606</td>
</tr>
<tr>
<td>Foster Care</td>
<td>93.658</td>
</tr>
</tbody>
</table>

Dollar threshold used to distinguish between Type A and Type B programs: $2,609,300

Auditee qualified as low-risk auditee? Yes
COUNTY OF PLACER, CALIFORNIA

Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2013

Section II – Financial Statement Findings

Item #2013-A– Unearned Revenue Analysis

CONDITION
The County improperly recognized $2,628,019 in funding received from the State of California relating to the Mental Health Services Act as unearned revenue, rather than revenue.

CAUSE
The County receives advanced funding from the State of California where the funds are to be used to provide mental health services. The County recorded the funding as unearned revenue and recognizes the revenue as funds are expended on qualified expenditures. However, due to the nature of the funding and the limited eligibility requirements, the funds received are to be recognized in the year of collection in accordance with GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

EFFECT
An audit adjustment was required to properly recognize the revenue originally recorded as unearned revenue during the fiscal year ended June 30, 2013.

RECOMMENDATION
We recommend the County provide additional training to its departments to further strengthen their understanding of the accounting standards. The County should also strengthen existing procedures performed at the Auditor-Controller’s office during its year-end closing and financial reporting process to identify improper adherence to accounting standards.

MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN
We concur with the auditor’s recommendation.
Item #2013-B– Intergovernmental Revenue

CONDITION

During our testing of Intergovernmental Revenues and Due from Other Governments, we noted the County is improperly recognizing year end revenues related to receivables not being collected within the County's period of availability.

CAUSE

Based upon our current year observations and results of our testing of Intergovernmental Revenues and Due from Other Governments, the County is properly identifying year end receivables due from governmental agencies. However, these receivables are not being collected within the County's period of availability of 180 days. Once the County books the year end accrual for revenue, there is no additional analysis ensuring the receivable being collected within the period of availability being documented.

EFFECT

The impact of not properly analyzing the collection of year-end revenues accrued is the risk of not properly recognizing revenue in the appropriate period.

RECOMMENDATION

The County should design procedures analyzing the collection of subsequent receipts to ensure intergovernmental revenue is being recognized in the proper period.

MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN

We concur with the auditor's recommendation.
COUNTY OF PLACER, CALIFORNIA

Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2013

Section III- Federal Awards Findings and Questioned Costs

Reference Number: 2013-001
Federal Catalog Number: 66.606
Federal Program Title: Surveys, Studies, Investigations and Special Purpose Grant
Award Number: XP-98968901
Award Year: 2004
Category of Finding: Reporting
Federal Agency: U.S. Environmental Protection Agency

CRITERIA

TITLE 40 – PROTECTION OF ENVIRONMENT; CHAPTER I – ENVIRONMENTAL PROTECTION AGENCY; SUBCHAPTER B – GRANTS AND OTHER FEDERAL ASSISTANCE; PART 31 – UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE AND LOCAL GOVERNMENTS

Subpart C – Post-Award Requirements

Section 31.41 Financial Reporting

(b) Financial Status Report—

(1) Form. Grantees will use Standard Form 269 or 269A, Financial Status Report, to report the status of funds for all nonconstruction grants and for construction grants when required in accordance with § 31.41(e)(2)(iii).

(3) Frequency. The Federal agency may prescribe the frequency of the report for each project or program. However, the report will not be required more frequently than quarterly. If the Federal agency does not specify the frequency of the report, it will be submitted annually. A final report will be required upon expiration or termination of grant support.

(4) Due date. When reports are required on a quarterly or semiannual basis, they will be due 30 days after the reporting period. When required on an annual basis, they will be due 90 days after the grant year. Final reports will be due 90 days after the expiration or termination of grant support.

GRANT AGREEMENT XP-98968901-2

Administrative Conditions –

1. An Interim Financial Status Report (FSR), Standard Form 269A (Rev 7/97), covering the period from “project/budget period start date” to September 30 of each calendar year shall be submitted to the Grants Management Office, MTS-7, no later than December 31 of the same calendar year. The initial FSR was due December 31, 2004.
CONDITION

According to the March 2009 OMB Circular A-133 Compliance Supplement, the SF-425 – Federal Financial Report (FFR) replaced the SF-269, SF-269A, SF-272, and SF-272A reports. During our testing of the FFR for the Surveys, Studies, Investigations and Special Purpose Grant, the County had yet to submit the required SF-425 pertaining to the fiscal year ended June 30, 2013.

CAUSE

Report preparation was the responsibility of one county employee, who left the County a few months before the report was due. Due to only one employee being responsible for report preparation and management not having a process in place to identify which reports were due, the Federal Financial Report was not submitted.

EFFECT

The County is not in compliance with the programs reporting requirements and exposes itself to disciplinary action from the granting agency.

QUESTIONED COSTS

There are no questioned costs associated with this finding.

RECOMMENDATION

The County should design and implement a process for identifying all reports to be submitted and submission deadlines.

DEPARTMENT'S VIEW AND CORRECTIVE ACTION PLAN

To address this finding, the Department has implemented an internal process to assure timely submission of all grant reporting requirements. This process entails a joint evaluation by the Department’s Grant Manager and Senior Administrative Services Officer to review grant requirements, to prepare a reporting schedule, establish timeframes, and identify responsible parties. This process creates a check and balance system, clear lines of responsibilities, and a tool for the Administrative Services Manager to confirm grant compliance. This also will provide an opportunity for the Granting Agency to confirm the County’s understanding of Agency reporting and process requirements. The County has since submitted the SF425 for reporting period of September 30, 2012.
COUNTY OF PLACER, CALIFORNIA
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2013

Reference Number: 2013-002
Federal Catalog Number: 66.606
Federal Program Title: Surveys, Studies, Investigations and Special Purpose Grant
Award Number: XP-98968901
Award Year: 2004
Category of Finding: Davis-Bacon Act
Federal Agency: U.S. Environmental Protection Agency

CRITERIA

TITLE 40 - PUBLIC BUILDINGS, PROPERTY, AND WORKS; SUBTITLE II-PUBLIC BUILDINGS AND WORKS; PART A-GENERAL; CHAPTER 31-GENERAL; SUBCHAPTER IV-WAGE RATE REQUIREMENTS

§3142. Rate of wages for laborers and mechanics

(a) Application - The advertised specifications for every contract in excess of $2,000, to which the Federal Government or the District of Columbia is a party, for construction, alteration, or repair, including painting and decorating, of public buildings and public works of the Government or the District of Columbia that are located in a State or the District of Columbia and which requires or involves the employment of mechanics or laborers shall contain a provision stating the minimum wages to be paid various classes of laborers and mechanics.

CONDITION

During our testing of subcontracts for the inclusion of the Davis-Bacon Act clause, the County was unable to provide the subcontracts between the prime contractor and subcontractor in order to substantiate that the subcontracts included the required Davis-Bacon Act clause. This clause is required to be included in the subcontract in order to inform the subcontractor that prevailing wage rates must be paid to all laborers. The sub-contractors were aware of the Davis-Bacon Act, noted by their submittal of the weekly certified payroll reports per the results of our testing.

CAUSE

The County lacked the necessary controls for obtaining and ensuring that subcontracts between the prime contractor and the subcontractors included the required Davis-Bacon Act clause.

EFFECT

The County is not in compliance with the program’s Davis-Bacon Act requirements and exposes itself to loss of funding and potential disciplinary action from the granting agency.

QUESTIONED COSTS

There are no questioned costs associated with this finding.
RECOMMENDATION

The County should design and implement controls for obtaining and retaining subcontracts for federally funded construction projects.

DEPARTMENT'S VIEW AND CORRECTIVE ACTION PLAN

The Department has notified the Grant Manager of this finding to assure that the required language pertaining to the Davis-Bacon Act is included in the subcontracts between the prime contractor and its subcontractors. This language was included in the County’s contract with the prime contractor. Although the language was not included in the subcontracts, the subcontractors submitted their certified payroll to the County in compliance with grant requirements. The requirement to include the Davis-Bacon Act language in subcontracts is included on the Department’s grant checklist to confirm grant compliance.

Reference Number: 2013-003
Category of Finding: Completeness of Schedule of Expenditures of Federal Awards

CRITERIA

Subpart C, section .300(d) of Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, “the auditee shall prepare appropriate financial statements, including the schedule of expenditures of federal awards in accordance with section .310.”

Section 310 (b)(3) “The schedule of expenditures of Federal awards shall provide total Federal awards expended for each individual Federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.”

CONDITION

The County omitted federal expenditures in FY 2013 related to program CFDA 66.458 ARRA- Capitalization Grants for Clean Water State Revolving Fund from its SEFA totaling $108,675.

CAUSE

The incorrect reporting of federal expenditures is due to an oversight by the County department responsible for administering the program. The Auditor-Controller’s Office e-mails single audit questionnaires to the various county departments, requesting the identification of annual expenditures of federal programs administered by the departments. The Auditor-Controller’s office utilizes the single audit questionnaires to populate the County’s SEFA. However, there was no questionnaire provided identifying the expenditures of the omitted program.

EFFECT

The County exposes itself to the risk of inaccurately preparing the SEFA in accordance with the requirements of OMB Circular A-133.
COUNTY OF PLACER, CALIFORNIA

Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2013

QUESTIONED COSTS

There are no questioned costs associated with this finding.

RECOMMENDATION

We recommend that the Auditor-Controller’s office require departments to submit supporting documentation for the expenditures for each federal program reported on the SEFA. Furthermore, the Auditor’s Controller’s office should thoroughly review the adequacy of the supporting documentation to ensure the completeness and accuracy of the reported expenditures and perform a comparison between the current year and prior year expenditures to identify any potential errors.

MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN

The Auditor-Controller concurs with the recommendation and during the course of our preparation of the SEFA for FY13/14, we will be corroborating all amounts provided to underlying supporting documentation maintained by County departments.
Financial Statement Findings

Item #2012-A– Loans to Property Owners Reconciliation

CONDITION

During our testing of loan receivables being reported in the Nonmajor Special Revenue Fund- Community Revitalization Fund, we noted the loans recorded in the County’s subsidiary ledger were not being reconciled to the general ledger, resulting in new loans issued in FY 2012 not being reflected in the general ledger. Effective internal controls would require the reconciliation of the subsidiary ledger to the general ledger for significant financial statement amounts.

CAUSE

Based on our current year observations, it appears that there was insufficient communications within County departments relating to the responsibility of monitoring the loan activity. In prior years, the loan activity was monitored by personnel of the County’s former redevelopment agency. However, due to the dissolution of California Redevelopment agencies, these responsibilities were transferred to a County department. This communication issue led to the new loans recorded not properly being recorded in the County’s general ledger.

EFFECT

As of June 30, 2012, the County had $513,537 in new loans that were not initially recorded in the County’s general ledger.

RECOMMENDATION

The County should improve upon the procedures involving the reconciliation of the loan subsidiary ledger to the general ledger and strengthen the oversight and monitoring procedures, ensuring accurate reconciliations are being performed in a timely manner.

MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN

Management concurs with the auditor’s recommendation. The County Auditor-Controller will be strengthening its year-end closing processes to ensure subsidiary ledgers are reconciled to the general ledger.

STATUS

Corrected. The County implemented proper procedures to ensure accurate reconciliations are being performed. We consider this matter to be resolved.
COUNTY OF PLACER, CALIFORNIA

Summary Schedule of Prior Audit Findings (Continued)
For the Fiscal Year Ended June 30, 2013

Item #2012-B– Intergovernmental Revenue/Due from Other Government

CONDITION

During our testing of Intergovernmental Revenue in the Low & Moderate Income Housing Asset Fund, we noted a double recording of revenue relating to the same transaction. This fund recognizes revenue relating to draw down requests on a grant awarded by the State of California. When the County submits a draw down request, the County recognizes revenue and a due from other government. Once the cash draw is received, the County will increase their cash balance and reduce the due from other government account balance. However, for one transaction selected for testing, we noted the County recognized revenue when it submitted its draw down request and subsequently recorded revenue again when the draw down request was received, rather than reduce the established due from other government balance. As a result, revenue was overstated by $866,430 and the corresponding due from other government was not reduced by the same amount.

During our testing of Due from Other Governments, we noted that the County did not record revenue or a due from other government amount during the initial draw down request. However, when the County received the funds relating to the draw down request, an entry to reduce the due from other government account balance for the transaction above was made in the amount of $731,996. As a result of this transaction, revenue was understated by $731,996.

CAUSE

Based upon our current year observations, it appears the County’s Community Development Resource Agency, which is primarily responsible for maintaining the ledgers for the Low & Moderate Income Housing Asset Fund, was not fully trained to perform the additional work it was assigned. In prior years, the grant processes related to this activity were reconciled by personnel of the County’s former redevelopment agency. Furthermore, there does not appear to be a proper level of supervisory review sufficient enough to ensure transactions being posted to the general ledger are accurate and complete.

EFFECT

The condition discussed above, resulted in an overstatement of revenue and due from other governments in the amount of $134,434 for the year ended June 30, 2012.

RECOMMENDATION

The County should improve upon the procedures involving the reconciliations of grants awarded to ensure transactions posted to the general ledger are accurate and complete.

MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN

Management concurs with the auditor’s recommendation.

STATUS

Corrected. The County improved its procedures relating to the recording of grant activity. We consider this matter to be resolved.
COUNTY OF PLACER, CALIFORNIA

Summary Schedule of Prior Audit Findings (Continued)
For the Fiscal Year Ended June 30, 2013

Federal Award Findings and Questioned Costs

Item: #2012-01 - Preparation of the Schedule of Expenditures of Federal Awards (SEFA)

CRITERIA

Subpart C, section .300(d) of Office of Management and Budget (OMB) Circular A-133, Audits, of States, Local Governments, and Non-Profit Organizations, “the auditee shall prepare appropriate financial statements, including the schedule of expenditures of federal awards in accordance with section .310.”

Section 310 (b)(3) “The schedule of expenditures of Federal awards shall provide total Federal awards expended for each individual Federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.”

CONDITION

We noted inaccuracies [overstatements (understatements)] in the amount of federal expenditures reported on the SEFA for several programs summarized as follows:

1. ARRA-Energy Efficiency and Conservation
   Block Grant Program - CFDA 81.128
   $34,610
2. TANF Cluster - CFDA 93.558/93.714
   (80,231)
3. Medical Assistance Program (MAP) - CFDA 93.778
   a) MAP Administration
   1,891,518
   b) MAP Targeted Case Management
   (96,992)
   c) Children's Medical Services
   (943,573)
   d) Health Care Program for Children in Foster Care
   (216,274)
   e) Medical Admin Assistance
   (593,999)

CAUSE

The incorrect reporting of federal expenditures is due to a lack of review of the supporting documentation related to program expenditures. The Auditor-Controller's Office e-mails single audit questionnaires to the various county departments, requesting the identification of annual expenditures of federal programs administered by the departments. The Auditor-Controller's office utilizes the single audit questionnaires to populate the County's SEFA. However, there is no supporting documentation provided by the department to substantiate the expenditures being reported.

EFFECT

The County exposes itself to the risk of inaccurately preparing the SEFA in accordance with the requirements of OMB Circular A-133.
QUESTIONED COSTS

There are no questioned costs associated with this finding.

RECOMMENDATION

We recommend that the Auditor-Controller’s office require departments to submit supporting documentation for the expenditures for each federal program reported on the SEFA. Furthermore, the Auditor's Controller's office should thoroughly review the adequacy of the supporting documentation to ensure the completeness and accuracy of the reported expenditures and perform a comparison between the current year and prior year expenditures to identify any potential errors.

MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN

The Auditor-Controller concurs with the recommendation and during the course of our preparation of the SEFA for FY12/13, we will be corroborating all amounts provided to underlying supporting documentation maintained by County departments.

STATUS

Uncorrected. The County demonstrated improvements on the accuracy of federal expenditures being reported, however, program expenditures “for one program” were omitted from the SEFA. See current year finding 2013-003.

CRITERIA

U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, Subpart C – Auditees, Section .300 – Auditee Responsibilities

(b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

TITLE 2 – GRANTS AND AGREEMENTS

PART 180 – OMB GUIDELINES TO AGENCIES ON GOVERNMENTWIDE DEBARMENT AND SUSPENSION (NONPROCUREMENT)
Sec. 180.300 – What must I do before I enter into a covered transaction with another person at the next lower tier?

When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified. You do this by:
(a) Checking the Excluded Parties List System (EPLS); or
(b) Collecting a certification from that person; or
(c) Adding a clause or condition to the covered transaction with that person.

CONDITION

Per review of procurement files for two professional services contracts, we noted no printout from the EPLS and noted no certification or clause in the contract stating that the company was not excluded/debarred from working on Federally funded contracts. Per discussion with management, the County does not check the EPLS nor does the RFP (Request for Proposals) that go out for professional services contracts contain the required suspension and debarment clause or certification.

CAUSE

The County was not aware that the requirement to check the EPLS website or include a certification or clause in the contract stating that the company was not excluded/debarred from working on federally funded contracts applied to professional service contracts.

EFFECT

There is a chance that the County will enter into an agreement with a vendor that is suspended, debarred or otherwise excluded from entering into agreements for federal funds. MGO referenced the EPLS website and determined that the two contractors were eligible to work on federally funded contracts.

QUESTIONED COSTS

No questioned costs associated with this finding.

RECOMMENDATION

The County should check the EPLS website or include a certification or clause in the contract stating that the company was not excluded/debarred from working on federally funded contracts for all contracts, including professional service contracts.
DEPARTMENT’S VIEW AND CORRECTIVE ACTION PLAN

The County Department of Public Works (DPW) concurs with the recommendation of including a certification that the company was not excluded/debarred from working on Federally funded contracts in all RFP (Request for Proposals) and RFQ (Request for Qualified List) that go out for professional services contracts. Going forward from March 14, 2012 DPW management will inform the Project Managers of this new requirement and updated procedures. In addition, DPW will work with the County’s Procurement Office to coordinate the insertion of the certification language into the master document template to ensure all RFPs and RFQs comply with OMB Grants and Agreements guidelines.

STATUS

Corrected. The County implemented appropriate internal controls and procedures to ensure compliance with the requirement. We consider the matter to be resolved.

CRITERIA

U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations (OMB Circular A-133), Subpart C – Auditees, Section .300 – Auditee Responsibilities

(b) Maintain internal control over Federal programs that provides reasonable assurance the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of the Federal programs.

CONDITION

During our testing of nonpayroll transactions charged to the grant program, we noted that 5 of the 26 transactions did not have evidence of management approval prior to payment.

CAUSE

Due to time constraints as the end of the grant period was approaching, invoices were paid without going through the proper approval process.

EFFECT

There is a risk that the County will expend Federal funds for activities that are not allowable. Although, there was no evidence of approval, the expenditures in question were allowable.
COUNTY OF PLACER, CALIFORNIA

Summary Schedule of Prior Audit Findings (Continued)
For the Fiscal Year Ended June 30, 2013

QUESTIONED COSTS

No questioned costs associated with this finding.

RECOMMENDATION

The County should strengthen its current practices with respect to ensuring that all transactions charged to the grant program are properly approved by management prior to being paid.

DEPARTMENT'S VIEW AND CORRECTIVE ACTION PLAN

The Department agrees with the findings and will ensure that all transactions charged to grant programs are properly approved by management prior to being paid.

STATUS

Corrected. The County implemented appropriate internal controls and procedures to ensure compliance with the requirement. We consider the matter to be resolved.

Reference Number: 2012-04
Federal Catalog Number: 81.128
Federal Program Title: ARRA - Energy Efficiency and Conservation Block Grant
Award Number: CBG-09-006
Award Year: 2010
Category of Finding: Reporting
Federal Agency: U.S. Department of Energy
Pass-through Agency: California State Energy Commission

CRITERIA

U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, Subpart C – Auditees, Section .300 – Auditee Responsibilities

(b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

CONDITION

During our testing of the various EECBG reports (See listing of reports below) and discussion with management, we noted there was no documentation that the required program reports were being reviewed and approved by someone independent of the preparation process for all 4 reports selected for testing.

1. Progress Reports
2. Final Report
CAUSE

Reports were approved verbally at management meetings, with no documentation that the required program reports were being reviewed and approved by someone other than the preparer.

EFFECT

Because there is no documentation of review, the County may inadvertently submit reports without going through the proper review process. If the County submits reports that are not independently reviewed by someone other than the preparer, the County exposes itself to risk of submitting inaccurate reports to the program’s administering agency. The impact of submitting inaccurate reports may lead to delays in reimbursement of program expenditures or other disciplinary action from the granting agency.

QUESTIONED COSTS

There are no questioned costs associated with this finding.

RECOMMENDATION

The County should design and implement internal controls establishing documentation to substantiate that proper segregation of duties between the preparation and approval of progress and final reports occurred prior to the submission of the reports.

DEPARTMENT'S VIEW AND CORRECTIVE ACTION PLAN

The Department followed the process prescribed by the California Energy Commission, which required an electronic submittal of progress reports and no wet-signed documents. The Department used monthly meetings for a team-based review of progress reports including Document Preparer, Project Manager, Accounting and Executive review and approval. In the future the Department will keep wet-signed versions of electronic documents that are required to be submitted to the administering agency.

STATUS

Corrected. The County implemented appropriate internal controls and procedures to ensure compliance with the requirement. We consider the matter to be resolved.
CRITERIA
U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, Subpart C – Auditees, Section .300 – Auditee Responsibilities

(b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

TITLE 2 – GRANTS AND AGREEMENTS
PART 215—UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND AGREEMENTS WITH INSTITUTIONS OF HIGHER EDUCATION, HOSPITALS, AND OTHER NON-PROFIT ORGANIZATIONS (OMB CIRCULAR A-110)
Subpart C—Post Award Requirements
Sec. 215.52 – Financial Reporting

(i) Each Federal awarding agency shall require recipients to use the SF-269 or SF-269A to report the status of funds for all nonconstruction projects or programs. A Federal awarding agency may, however, have the option of not requiring the SF-269 or SF-269A when the SF-270, Request for Advance or Reimbursement, or SF-272, Report of Federal Cash Transactions, is determined to provide adequate information to meet its needs, except that a final SF-269 or SF-269A shall be required at the completion of the project when the SF-270 is used only for advances.

CONDITION
During our testing of the SF-425 Financial Report (Formerly SF-269) and discussion with management, we noted that the County was reporting expenditures based on amounts expended and received rather that actual expenditures for the period reported in the "Federal Expenditures and Unobligated Balance" section of the report.

CAUSE
The preparer of the SF 425 was not made aware that actual program expenditures were required for the report.

EFFECT
Reporting only amounts received for program expenditures rather than actual expenditures for the period, causes the County to submit reports that are not accurate. The impact of submitting inaccurate reports may lead to delays in reimbursement of program expenditures or other disciplinary action from granting agencies.

QUESTIONED COSTS
There are no questioned costs associated with this finding.
COUNTY OF PLACER, CALIFORNIA

Summary Schedule of Prior Audit Findings (Continued)
For the Fiscal Year Ended June 30, 2013

RECOMMENDATION

We recommend that the County revise current practices to ensure that the appropriate amounts are identified and reported in the in the “Federal Expenditures and Unobligated Balance” section of the SF-425 reports.

DEPARTMENT’S VIEW AND CORRECTIVE ACTION PLAN

Placer County Department of Public Works (DPW) agrees with the recommendation to include actual expenditures for each reporting periods along with the invoiced and reimbursed amounts when completing the SF-425 reports. In order to implement this new procedure, management will review the SF-425 reports which are completed by the administrative technician and will ensure that actual amounts are in fact shown on the reports before they are submitted to their respective grantors.

STATUS

Corrected. The County implemented appropriate internal controls and procedures to ensure compliance with the requirement. We consider the matter to be resolved.

Reference Number: 2012-06
Federal Catalog Number: 10.690
Federal Program Title: Lake Tahoe Erosion Control Grant Program
Award Numbers
08-DG-11051900-031
09-DG-11051900-025
10-DG-11051900-032
11-DG-11051900-032
Category of Finding: Allowable Costs
Funding Agency: U.S. Department of Agriculture

CRITERIA

U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations (OMB Circular A-133), Subpart C – Auditees, Section .300 – Auditee Responsibilities

(b) Maintain internal control over Federal programs that provides reasonable assurance the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of the Federal programs.

TITLE 2 – GRANTS AND AGREEMENTS

PART 225—COST PRINCIPLES FOR STATE, LOCAL, AND INDIAN TRIBAL GOVERNMENTS (OMB CIRCULAR A-87)
Appendix C to Part 225—State/Local-Wide Central Service Cost Allocation Plans
COUNTY OF PLACER, CALIFORNIA
Summary Schedule of Prior Audit Findings (Continued)
For the Fiscal Year Ended June 30, 2013

A. General.
1. Most governmental units provide certain services, such as motor pools, computer centers, purchasing, accounting, etc., to operating agencies on a centralized basis. Since federally-supported awards are performed within the individual operating agencies, there needs to be a process whereby these central service costs can be identified and assigned to benefitted activities on a reasonable and consistent basis. The central service cost allocation plan provides that process. All costs and other data used to distribute the costs included in the plan should be supported by formal accounting and other records that will support the propriety of the costs assigned to Federal awards.

CONDITION
During testing of SF-270 reimbursement request reports, we noted the amount requested and received for reimbursement for the Homewood Project for the period ending June 2012 was overstated by $1,466. The error was identified by County staff and an adjustment to the subsequent expenditure reimbursement claim reduced the total by $1,466. The adjusted reimbursement request, however, was not made until the subsequent fiscal year.

CAUSE
The County requested reimbursement of indirect costs for June 2012 for the total amount of payroll costs rather than the 94.23% approved rate for indirect costs.

EFFECT
The amount requested for reimbursement for the grant program in FY 2012 was overstated by $1,466.

QUESTIONED COSTS
There are known questioned costs in the amount of $1,466.

RECOMMENDATION
We recommend that existing procedures be strengthened to ensure that the County’s SF-270 reimbursement requests is reviewed by a program supervisor to ensure that the requested amount of indirect cost reimbursement has been calculated correctly and are accurately reported prior to submittal.
DEPARTMENT’S VIEW AND CORRECTIVE ACTION PLAN

Placer County Department of Public Works (DPW) agrees with the recommendation to strengthen current procedures to ensure that the County’s SF-270 reimbursement requests are reviewed by management to ensure accurate reporting of indirect costs for reimbursement. In order to implement this procedure, the administrative technician who prepares the indirect costs reimbursement requests will have the appropriate project manager review and approve the invoice and backup documentation prior to submittal.

STATUS

Corrected. The County implemented appropriate internal controls and procedures to ensure compliance with the requirement. We consider the matter to be resolved.
COUNTY OF PLACER

Report to the Board of Supervisors

For the Fiscal Year Ended June 30, 2013

Certified Public Accountants.
COUNTY OF PLACER

Report to the Board of Supervisors
For the Fiscal Year Ended June 30, 2013

Table of Contents

Page(s)

Transmittal Letter ........................................................................................................ 1-2
Required Communications ............................................................................................. 3-5
Findings and Recommendations .................................................................................... 6-7
Status of Prior Year Findings and Recommendations .................................................. 8-9
Schedule of Uncorrected Misstatements ...................................................................... 10
Honorable Members of the Board of Supervisors of the County of Placer

We have audited the financial statements of the County of Placer for the year ended June 30, 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, Government Auditing Standards, and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 5, 2013. Professional standards also require that we communicate to you the information related to our audit that is included in the Required Communications section of this report.

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of and for the fiscal year ended June 30, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered the County’s internal control over financial reporting (internal control) as a basis for designing our auditing 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 discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or 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 did not identify any deficiencies in internal control that we consider to be material weaknesses.

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 items 2013-A and 2013-B in the Findings and Recommendations section of this letter to be significant deficiencies.

During our audit for the year ended June 30, 2013, we followed up on our recommendations to address conditions we identified during previous years’ audits. The status of those recommendations is included in the Status of Prior Year Findings and Recommendations section of this report. This report does not affect our report dated November 18, 2013, on the basic financial statements of the County.
This report is intended solely for the information and use of the County Board of Supervisors and management of the County and is not intended to be and should not be used by anyone other than these specified parties.

We would like to thank the County’s management and staff for the courtesy and cooperation extended to us during the course of our engagement. We have discussed our comments and suggestions with management and would be pleased to discuss them further.

Macione, Steed & O’Connell LLP
Sacramento, California
November 18, 2013
COUNTY OF PLACER

Report to the County Board of Supervisors
Required Communications
For the Fiscal Year Ended June 30, 2013

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note 1 to the financial statements. As described in Note 1, the County adopted the provisions of the following Governmental Accounting Standards Board Statements: Statement No. 62 "Codification of Accounting and Financial Reporting Guidance Contained In Pre- November 30, 1989 FASB and AICPA Pronouncements"; Statement No. 63, "Financial Reporting of deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position"; Statement No. 65 "Items Previously Reported as Assets and Liabilities." We noted no transactions entered into by the County during the fiscal year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Depreciation estimates for capital assets
- Self-funded insurance liabilities
- Actuarial valuations of pension and other postemployment benefit obligations and required contributions
- Landfill postclosure care costs

Depreciation expense is based on management’s estimate of the useful lives of the related capital assets. Management’s estimate of the County’s self-funded insurance liabilities is actuarially determined based on the County’s loss history. The actuarial pension data contained in Note 8 to the financial statements and required supplementary information (unaudited) is based on actuarial calculations performed in accordance with the parameters set forth in GASB Statement No. 50, "Pension Disclosures (an amendment of GASB Statements No. 25 and 27)" and GASB Statement No. 27, "Accounting for Pensions by State and Local Governmental Employers." The actuarial data for other postemployment benefit obligations contained in Note 9 to the financial statements and required supplementary information is based on actuarial calculations performed in accordance with the parameters set forth in GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions." Management’s estimate of its landfill postclosure care costs is determined using methods and assumptions consistent with GASB Statement No. 18, "Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs." We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to each opinion unit’s financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.
Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The following material misstatements detected as a result of audit procedures were corrected by management:

The County improperly recorded funding of $2,628,019 provided by the State of California as unearned revenue, rather than intergovernmental revenue.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor’s report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 18, 2013.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the governmental unit’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.
COUNTY OF PLACER

Report to the County Board of Supervisors
Findings and Recommendations
For the Fiscal Year Ended June 30, 2013

Item #2013-A– Unearned Revenue Analysis

CONDITION
The County improperly recognized $2,628,019 in funding received from the State of California relating to the Mental Health Services Act as unearned revenue, rather than revenue.

CAUSE
The County receives advanced funding from the State of California where the funds are to be used to provide mental health services. The County recorded the funding as unearned revenue and recognizes the revenue as funds are expended on qualified expenditures. However, due to the nature of the funding and the limited eligibility requirements, the funds received are to be recognized in the year of collection in accordance GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

EFFECT
An audit adjustment was required to properly recognize the revenue originally recorded as unearned revenue during the fiscal year ended June 30, 2013.

RECOMMENDATION
We recommend the County provide additional training to its departments to further strengthen their understanding of the accounting standards. The County should also strengthen existing procedures performed at the Auditor-Controller’s office during its year-end closing and financial reporting process to identify improper adherence to accounting standards.

MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN

We concur with the auditor’s recommendations.
Item #2013-B- Intergovernmental Revenue

CONDITION

During our testing of Intergovernmental Revenues and Due from Other Governments, we noted the County is improperly recognizing year end revenues related to receivables not being collected within the County’s period of availability.

CAUSE

Based upon our current year observations and results of our testing of Intergovernmental Revenues and Due from Other Governments, the County is properly identifying year end receivables due from governmental agencies. However, these receivables are not being collected within the County’s period of availability of 180 days. Once the County books the year end accrual for revenue, there is no additional analysis ensuring the receivable being collected within the period of availability being documented.

EFFECT

The impact of not properly analyzing the collection of year-end revenues accrued is the risk of not properly recognizing revenue in the appropriate period.

RECOMMENDATION

The County should design procedures analyzing the collection of subsequent receipts to ensure intergovernmental revenue is being recognized in the proper period.

MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN

We concur with the auditor’s recommendation.
COUNTY OF PLACER

Report to the County Board of Supervisors
Status of Prior Year Findings and Recommendations
For the Fiscal Year Ended June 30, 2013

Item #2012-A– Loans to Property Owners Reconciliation

CONDITION

During our testing of loan receivables being reported in the Nonmajor Special Revenue Fund-Community Revitalization Fund, we noted the loans recorded in the County’s subsidiary ledger were not being reconciled to the general ledger, resulting in new loans issued in FY 2012 not being reflected in the general ledger. Effective internal control would require the reconciliation of the subsidiary ledger to the general ledger for significant financial statement amounts.

CAUSE

Based on our current year observations it appears that there was insufficient communications within County departments relating to the responsibility of monitoring the loan activity. In prior years, the loan activity was monitored by personnel of the County’s former redevelopment agency. However, due to the dissolution of California Redevelopment agencies, these responsibilities were transferred to a County department. This communication issue led to the new loans recorded not properly being recorded in the County’s general ledger.

EFFECT

As of June 30, 2012, the County had $513,537 in new loans that were not initially recorded in the County’s general ledger.

RECOMMENDATION

The County should improve upon the procedures involving the reconciliation of the loan subsidiary ledger to the general ledger and strengthen the oversight and monitoring procedures, ensuring accurate reconciliations are being performed in a timely manner.

MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN

Management concurs with the auditor’s recommendation. The County Auditor-Controller will be strengthening its year-end closing processes to ensure subsidiary ledgers are reconciled to the general ledger.

CURRENT YEAR STATUS

This finding is deemed resolved as of June 30, 2013.
Item #2012-B– Intergovernmental Revenue/Due from Other Government

CONDITION

During our testing of Intergovernmental Revenue in the Low & Moderate Income Housing Asset Fund, we noted a double recording of revenue relating to the same transaction. This fund recognizes revenue relating to draw down requests on a grant awarded by the State of California. When the County submits a draw down request, the County recognizes revenue and a due from other government. Once the cash draw is received, the County will increase their cash balance and reduce the due from other government account balance. However, for one transaction selected for testing, we noted the County recognized revenue when it submitted its draw down request and subsequently recorded revenue again when the draw down request was received, rather than reduce the established due from other government balance. As a result, revenue was overstated by $866,430 and the corresponding due from other government was not reduced by the same amount.

During our testing of Due from Other Governments, we noted that the County did not record revenue or a due from other government amount during the initial draw down request. However, when the County received the funds relating to the draw down request, an entry to reduce the due from other government account balance for the transaction above was made in the amount of $731,996. As a result of this transaction, revenue was understated by $731,996.

CAUSE

Based upon our current year observations, it appears the County’s Community Development Resource Agency, which is primarily responsible for maintaining the ledgers for the Low & Moderate Income Housing Asset Fund, was not fully trained to perform the additional work it was assigned. In prior years, the grant processes related to this activity were reconciled by personnel of the County’s former redevelopment agency. Furthermore, there does not appear to be a proper level of supervisory review sufficient enough to ensure transactions being posted to the general ledger are accurate and complete.

EFFECT

The condition discussed above, resulted in an overstatement of revenue and due from other governments in the amount of $134,434 for the year ended June 30, 2012.

RECOMMENDATION

The County should improve upon the procedures involving the reconciliation of grants awarded to ensure transactions posted to the general ledger are accurate and complete.

MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN

Management concurs with the auditor’s recommendation.

CURRENT YEAR STATUS

This finding is deemed resolved as of June 30, 2013.
## COUNTY OF PLACER
### SCHEDULE OF UNCORRECTED MISSTATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

### Governmental Funds - General Fund
#### Impact of Adjustments on Governmental Funds Statement - Increase (Decrease)

<table>
<thead>
<tr>
<th>Description of Audit Difference</th>
<th>Statement of Net Position</th>
<th>Change in Net Position</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Assets</td>
<td>Liabilities</td>
</tr>
<tr>
<td>1 To adjust beginning net position relating to FY 2012 payroll accrual net position.</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>

#### Financial Statement amounts
- $1,186,472,000
- $124,577,000
- $87,703,000
- $384,613,000
- $673,511,000
- $7,018,000
- $3,181,100,000
- $973,703,000

#### Impact as a percentage of $ amounts
- 0.00%
- 0.00%
- 0.00%
- 0.00%
- 0.19%
- 0.00%
- 0.00%
- 0.00%
- 0.00%
- 0.00%

### Governmental Funds - Local Assistance
#### Impact of Adjustments on Fund Financial Statement - Increase (Decrease)

<table>
<thead>
<tr>
<th>Description of Audit Difference</th>
<th>Balance Sheet</th>
<th>Other Sources (Use)</th>
<th>Change in Fund Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 To adjust beginning fund balance relating to FY 2012 payroll accrual net position.</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>

#### Financial Statement amounts
- $204,459,000
- $20,912,000
- $19,007,000
- $176,614,000
- $421,657,000
- $312,200,000
- $1,151,645,000
- $1,566,165,000

#### Impact as a percentage of $ amounts
- 0.00%
- 0.00%
- 0.00%
- 0.00%
- 0.00%
- 0.00%
- 0.00%
- 0.00%
- 0.00%

### Governmental Funds - Special Revenue Fund
#### Impact of Adjustments on Fund Financial Statement - Increase (Decrease)

<table>
<thead>
<tr>
<th>Description of Audit Difference</th>
<th>Statement of Net Assets</th>
<th>Change in Fund Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 To properly record year end due to other government balance</td>
<td>(132,018)</td>
<td>$ -</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(132,018)</td>
<td>$ -</td>
</tr>
</tbody>
</table>

#### Financial Statement amounts
- $68,269,000
- $4,812,000
- $320,000
- $61,588,000
- $61,499,000
- $6,714,000
- $30,135,000
- $40,109,000

#### Impact as a percentage of $ amounts
- 0.00%
- 0.00%
- 0.00%
- 0.00%
- 0.00%
- 0.00%
- 0.00%
- 0.00%

### Governmental Funds - Capital Improvements Major Capital Expenditure Fund
#### Impact of Adjustments on Fund Financial Statement - Increase (Decrease)

<table>
<thead>
<tr>
<th>Description of Audit Difference</th>
<th>Balance Sheet</th>
<th>Other Sources (Use)</th>
<th>Change in Fund Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 To properly adjust beginning fund balance relating to services provided in FY 2012</td>
<td>-</td>
<td>33,701</td>
<td>-</td>
</tr>
<tr>
<td>2 To properly adjust beginning fund balance for revenue recognized in FY 2012 but not collected within the County period of availability</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td>33,708</td>
<td>$ -</td>
</tr>
</tbody>
</table>

#### Financial Statement amounts
- $89,405,000
- $3,391,000
- $8,407,000
- $7,987,000
- $13,041,000
- $20,588,000
- $300,000
- $42,455,000
- $57,237,000

#### Impact as a percentage of $ amounts
- 0.00%
- 100.00%
- 0.00%
- 0.00%
- 0.00%
- 0.00%
- 0.00%
- 0.00%
- 0.00%

### Property Funds - Facilities
#### Impact of Adjustments on Fund Financial Statement - Increase (Decrease)

<table>
<thead>
<tr>
<th>Description of Audit Difference</th>
<th>Statement of Net Position</th>
<th>Change in Net Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 AP accrual relating to services provided prior to 6/30/2013</td>
<td>-</td>
<td>$33,708</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td>$33,708</td>
</tr>
</tbody>
</table>

#### Financial Statement amounts
- $44,710,000
- $4,878,000
- $40,531,000
- $4,583,000
- $569,000
- $126,000
- $39,760,000
- $40,531,000

#### Impact as a percentage of $ amounts
- 0.00%
- 0.72%
- 0.00%
- 0.00%
- 0.09%
- 0.00%
- 0.00%
- 0.00%

### Governmental Funds - General Fund
#### Impact of Adjustments on Governmental Funds Statement - Increase (Decrease)

<table>
<thead>
<tr>
<th>Description of Audit Difference</th>
<th>Statement of Net Position</th>
<th>Change in Net Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 To adjust beginning net position relating to FY 2012 payroll accrual net position.</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>

#### Financial Statement amounts
- $1,186,472,000
- $124,577,000
- $87,703,000
- $384,613,000
- $673,511,000
- $7,018,000
- $3,181,100,000
- $973,703,000

#### Impact as a percentage of $ amounts
- 0.00%
- 0.00%
- 0.00%
- 0.00%
- 0.19%
- 0.00%
- 0.00%
- 0.00%
- 0.00%
- 0.00%