

COUNTY OF ALPINE
SINGLE AUDIT REPORT
JUNE 30, 2018

Table of Contents

	<u>Page</u>
Schedule of Expenditures of Federal Awards.....	1-2
Notes to the Schedule of Expenditures of Federal Awards.....	3-4
Independent Auditor's Report on Internal Control Over Financing Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	5-6
Independent Auditor's Report on Compliance for Each Major Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance.....	7-8
Schedule of Findings and Questioned Costs.....	9-10
Status of Prior Year Findings.....	11
Supplementary Schedule of the California Emergency Management Agency Grant Expenditures.....	15

COUNTY OF ALPINE

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA No.	Federal Agency / Pass-Through Entity Identifying Number	Passed through to Subrecipients	Federal Expenditures
U.S. Department of Agriculture				
<u>Passed through the State Department of Social Services:</u>				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP)	10.561	--	-	71,381
Subtotal 10.561			-	71,381
<u>Passed through State Controller's Office:</u>				
Forest Service Schools and Roads Cluster:				
Secure Payments for States and Counties Containing Federal Lands	10.665	PL 114-10	-	190,833
Subtotal 10.665			-	190,833
Total U.S. Department of Agriculture			-	262,214
U.S. Department of the Interior				
<u>Direct Federal Programs:</u>				
Payments in Lieu of Taxes	15.226	115-31	-	163,435
Total U.S. Department of the Interior			-	163,435
U.S. Department of Justice				
<u>Passed through the California Emergency Management Agency:</u>				
Victim/Witness Assistance Program	16.575	VW17180020	-	52,751
Total U.S. Department of Justice			-	52,751
U.S. Department of Transportation				
<u>Passed through the State Department of Transportation:</u>				
Highway Planning and Construction Cluster:				
FHWA / Caltrans Bridge Maintenance Program	20.205	1000020549L-N	-	72,928
Subtotal 20.505			-	72,928
<u>Passed through the State Department of Transportation:</u>				
FTA 5311 Formula Grants for Other Than Urbanized Areas	20.509	--	-	36,382
Subtotal 20.509			-	36,382
Total U.S. Department of Transportation			-	109,310
U.S. Department of Health and Human Services				
<u>Passed through State Department of Alcohol and Drug Programs:</u>				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	--	-	244,990
Subtotal 93.959			-	244,990
<u>Passed through State Department of Health Care Services:</u>				
Medicaid Cluster:				
Medical Assistance Programs	93.778	--	-	9,700
Child Health & Disability Prevention Program	93.778	--	-	39,488
California Children's Services	93.778	--	-	14,872
Subtotal 93.778			-	64,060

See accompanying notes to schedule of expenditures of federal awards and the independent auditor's report on compliance for each major program and on internal control over compliance required by the Uniform Guidance.

COUNTY OF ALPINE

Schedule of Expenditures of Federal Awards (continued)

For the Year Ended June 30, 2018

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA No.	Federal Agency / Pass-Through Entity Identifying Number	Passed through to Subrecipients	Federal Expenditures
U.S. Department of Health and Human Services (Continued)				
<u>Passed through State Department of Health Care Services:</u>				
Maternal and Child Health Services	93.994	201602	-	80,001
Subtotal 93.994			-	80,001
Subtotal Passed through State Department of Health Care Services			-	144,061
<u>Passed through State Department of Public Health:</u>				
Public Health Emergency Preparedness Program	93.069	14-10882	-	27,957
Immunization Program	93.268	15-10411	-	36,132
Hospital Preparedness Program	93.889	14-10882	-	50,506
Public Health Emergency Preparedness Program	93.069	17-10143	-	96,322
Public Health Emergency Preparedness Program	93.069	17-10143	-	110,466
Subtotal Passed through State Department of Public Health			-	321,383
<u>Passed through State Department of Social Services:</u>				
TANF Cluster:				
Temporary Assistance for Needy Families (TANF)	93.558	--	-	28,826
Subtotal 93.558			-	28,826
<u>Passed through State Department of Social Services:</u>				
Community-Based Child Abuse Prevention Grants	93.590	--	30,027	30,027
Foster Care - Title IV-E	93.658	--	-	204,940
Stephanie Tubbs Jones Child Welfare	93.645	--	-	5,794
Medicaid Cluster:				
In-Home Supportive Services (Social Services Block Grant)	93.778	--	-	95,309
Subtotal Passed through State Department of Social Services			30,027	364,896
Total U.S. Department of Health and Human Services			30,027	1,075,330
U.S. Department of Homeland Security				
<u>Passed through the California Emergency Management Agency:</u>				
Emergency Management Performance Grant	97.042	2017-0007	-	125,234
Pre-Disaster Mitigation - FEMA	97.047		-	155,604
Subtotal Passed through California Emergency Management Agency			-	280,838
<u>Passed through State Department of Homeland Security</u>				
Homeland Security Grant Program - SHSP	97.067	2016-0102	-	72,154
Total U.S. Department of Homeland Security			-	352,992
Total Expenditures of Federal Awards			\$ 30,027	\$ 2,016,032

See accompanying notes to schedule of expenditures of federal awards and the independent auditor's report on compliance for each major program and on internal control over compliance required by the Uniform Guidance.

COUNTY OF ALPINE

Notes to the Schedule of Federal Awards
For the Year Ended June 30, 2018

Note 1: **General**

The accompanying schedule of expenditures of federal awards (SEFA) for the fiscal year ended June 30, 2018, presents the activity of all federal award programs of the County of Alpine, California (County). The County reporting entity is defined in Note 1 to the County's basic financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, are included on the SEFA. The information in this schedule is presented in accordance with the requirements of Title 2 U.S Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The County has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 2: **Basis of Accounting**

Basis of accounting refers to when expenditures or expenses are recognized and reported on the SEFA. The accompanying SEFA is presented using the modified accrual basis of accounting for grants accounted for in the governmental fund types and the accrual basis of accounting for grants accounted for in the proprietary fund types, as described in Note 1 to the County's basic financial statements.

Note 3: **Relationship to Financial Statements**

The amounts reported in the accompanying SEFA agree, in all material respects, to amounts reported within the County's basic financial statements. Federal award revenues are reported principally in the County's financial statements as intergovernmental revenues in the General, Special Revenue and Enterprise funds. Federal award expenditures are principally reported based on the function to which they relate.

Note 4: **Catalog of Federal Domestic Assistance (CFDA) Numbers**

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

Note 5: **Pass-Through Entity Identifying Numbers**

The County has included in the SEFA the identifying numbers for pass-through grants when such information has been provided by the pass-through entities. For grants that the County was not provided with such information by the pass-through entities, the County has indicated the pass-through identifying numbers as "--" to disclose the information was not applicable or not available.

COUNTY OF ALPINE

Notes to the Schedule of Federal Awards
 For the Year Ended June 30, 2018

Note 6: **Program Clusters**

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

<u>CFDA</u>	<u>Program Title</u>	<u>Expenditures</u>
SNAP Cluster:		
10.561	State Administrative Matching Grants for Supplemental Nutrition Assistance Program (SNAP)	\$ 71,381
	Total	<u>\$ 71,381</u>
Forest Service Schools and Roads Cluster:		
10.665	Secure Payments for States and Counties Containing Federal Lands	\$ 190,833
	Total	<u>\$ 190,833</u>
Highway Planning and Construction Cluster:		
20.205	FHWA / Caltrans Bridge Maintenance Program	\$ 72,928
	Total	<u>\$ 72,928</u>
Medicaid Cluster:		
93.778	Medical Assistance Programs – Social Services	\$ 9,700
93.778	Child Health & Disability Prevention Program	39,488
93.778	California Children’s Services	14,872
93.778	In-Home Support Services (Social Services Block Grant)	95,309
	Total	<u>\$ 159,369</u>
TANF Cluster:		
93.558	Temporary Assistance for Needy Families (TANF)	\$ 28,826
	Total	<u>\$ 28,826</u>



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

To the Board of Supervisors
of the County of Alpine
Markleeville, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Alpine (the "County"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 29, 2019.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal controls that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

677 Scott Avenue
Clovis, CA 93612

tel 559.299.9540
fax 559.299.2344

Compliance and Other Matters

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

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 County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Price Pange & Company

Clovis, California
March 29, 2019



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Supervisors
of the County of Alpine
Markleeville, California

Report on Compliance for Each Major Federal Program

We have audited the County of Alpine, California's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2018. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 of Alpine, California, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

677 Scott Avenue
Clovis, CA 93612
tel 559.299.9540
fax 559.299.2344

Report on Internal Control over Compliance

Management of the County of Alpine, California, 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 the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Alpine, California, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 29, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and supplemental Schedule of the California Emergency Management Agency Grant Expenditures are presented for purposes of additional analysis as required by the Uniform Guidance and the California Emergency Management Agency, and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditure of Federal Awards and supplemental Schedule of the California Emergency Management Agency Grant Expenditures are fairly stated in all material respects in relation to the basic financial statements as a whole.

Price Pange & Company

Clovis, California
March 29, 2019

COUNTY OF ALPINE

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018

Section 1 - Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unmodified

Internal control over financial reporting:
Material weaknesses identified? _____ Yes X No
Significant deficiencies identified that
are not considered to be material weaknesses? _____ Yes X None reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards:

Internal control over major programs:
Material weaknesses identified? _____ Yes X No
Significant deficiencies identified that
are not considered to be material weaknesses? _____ Yes X None reported

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 2CFR
section 200.516(a)? _____ Yes X No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.665	Schools and Roads Cluster
15.226	Payment in Lieu of Taxes
20.205	Highway Planning and Construction
93.959	Block Grants for Prevention and Treatment of Substance Abuse
97.047	Pre-Disaster Mitigation (FEMA)

Dollar threshold used to distinguish between Type A
and Type B programs: \$750,000

Auditee qualified as low-risk auditee? _____ Yes X No

COUNTY OF ALPINE
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018

Section 2 - Financial Statement Findings

None reportable.

Section 3 - Federal Awards Findings and Questioned Costs

None reportable.

COUNTY OF ALPINE

Status of Prior Year Findings
For the Year Ended June 30, 2018

FINANCIAL STATEMENT FINDINGS

See Finding 2017-001 below.

FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Finding 2017-001 - Allowable Costs

U.S. Department of Health and Human Services/Passed through State Department of Alcohol and Drug Programs:
CFDA #93.959- Block Grants for Prevention and Treatment of Substance Abuse

Condition:

The County's Department of Behavioral Health employee's salary and related personnel costs were charged to federal awards based on budgeted amounts and not for actual time spent on the related activities.

Criteria:

2CFR Part 200, Subpart F (Uniform Guidance) Section 200.430 requires that personnel expenses (payroll) charged the federal awards must be based on records that accurately reflect the work performed. These records must be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated. Budget estimates alone do not qualify as support for charges to federal awards.

Cause:

County staff was unaware of intricacies related to the Uniform Guidance and related requirements of personnel expenses.

Effect:

Lack of proper documentation needed to corroborate employee hours worked results in noncompliance and questioned costs of \$51,312. The amount was calculated by performing an analysis of actual time worked as compared to budgeted amounts.

Recommendation:

We recommend that the County implement a system of internal control at the Department of Behavioral Health that requires employees to record and monitor actual time-spent for work performed related to federal awards.

Status:

Implemented

THIS PAGE IS LEFT BLANK INTENTIONALLY.

SUPPLEMENTARY SCHEDULE OF
THE CALIFORNIA EMERGENCY
MANAGEMENT AGENCY GRANT EXPENDITURES

THIS PAGE IS LEFT BLANK INTENTIONALLY.

COUNTY OF ALPINE

Supplementary Schedule of the California Emergency

For the Year Ended June 30, 2018

The following represents the State of California Emergency Management Agency grant expenditures by grant, for the fiscal year ended June 30, 2018

Program	Total	Expenditures Incurred For the Year Ended June 30, 2018		
		Federal Share	State Share	County Share
<u>VW16170020 - Victim Witness Program</u>				
Personal services	\$ 15,769	\$ 15,769	\$ -	\$ -
Operating expenditures	8,091	8,091	-	-
Totals	<u>\$ 23,860</u>	<u>\$ 23,860</u>	<u>\$ -</u>	<u>\$ -</u>
<u>VW17180020 - Victim Witness Program</u>				
Personal services	\$ 22,002	\$ 6,964	\$ 15,038	\$ -
Operating expenditures	21,927	21,927	-	-
Totals	<u>\$ 43,929</u>	<u>\$ 28,891</u>	<u>\$ 15,038</u>	<u>\$ -</u>
<u>2017-0070 - Emergency Management Performance Grant</u>				
Personal services	\$ 75,180	\$ 37,590	\$ -	\$ 37,590
Operating expenditures	15,900	7,950	-	7,950
Equipment	159,388	79,694	-	79,694
Totals	<u>\$ 250,468</u>	<u>\$ 125,234</u>	<u>\$ -</u>	<u>\$ 125,234</u>
<u>Pre-Disaster Mitigation</u>				
Personal services	\$ -	\$ -	\$ -	\$ -
Operating expenditures	155,604	155,604	-	-
Equipment	-	-	-	-
Totals	<u>\$ 155,604</u>	<u>\$ 155,604</u>	<u>\$ -</u>	<u>\$ -</u>