

# **COUNTY OF PLUMAS, CALIFORNIA**



**SINGLE AUDIT ACT  
REPORTS AND SCHEDULES  
FOR THE YEAR ENDED  
JUNE 30, 2016**

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**COUNTY OF PLUMAS**  
**Single Audit Act**  
**For the Year Ended June 30, 2016**

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

Board of Supervisors and the Grand Jury  
County of Plumas  
Quincy, 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 Plumas, California, (County) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated April 18, 2017.

**Internal Control Over Financial Reporting**

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses. (2016-001)

Board of Supervisors and the Grand Jury  
County of Plumas  
Quincy, California

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies. (2016-002 and 2016-003)

### **Compliance and Other Matters**

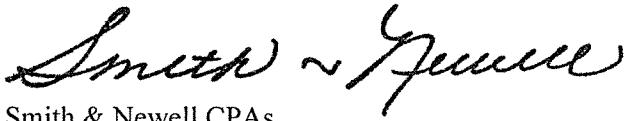
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

### **County's Responses 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 the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Smith & Newell CPAs  
Yuba City, California  
April 18, 2017

**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 and Grand Jury  
County of Plumas  
Quincy, California

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

We have audited the County of Plumas, California's (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, 2016. 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 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, 2016.

To the Board of Supervisors and Grand Jury  
County of Plumas  
Quincy, California

### **Report on Internal Control Over Compliance**

Management of the County, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 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.

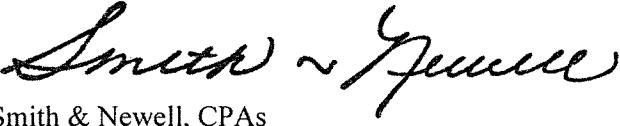
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

To the Board of Supervisors and Grand Jury  
County of Plumas  
Quincy, California

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

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the County of Plumas, California, (County) as of and for the year ended June 30, 2016 and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated April 18, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

  
Smith & Newell, CPAs  
Yuba City, California  
April 18, 2017

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**COUNTY OF PLUMAS**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2016**

<b>Federal Program/Pass Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-through Entity Identifying Number</b>	<b>Passed Through to Subrecipients</b>	<b>Total Federal Expenditures</b>
<b>U.S. Department of Agriculture</b>				
State Department of Public Health: Supplemental Nutrition Assistance Program	10.551	13-20097	\$ -	\$ 262,989
State Department of Social Services: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	10-Unknown	_____ -	<u>341,723</u>
<b>Total SNAP Cluster</b>			_____ -	<u>604,712</u>
National Forest Service: Cooperative Forestry Assistance	10.664	11-LE-11051360-206	-	34,000
State Controller's Office: Schools and Roads - Grants to States	10.665	10-Unknown	_____ -	<u>1,655,947</u>
<b>Total U.S. Department of Agriculture</b>			_____ -	<u>2,294,659</u>
<b>U.S. Department of Housing and Urban Development</b>				
State Department of Health Services: Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	10-STBG-6734	-	243,423
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	10-DRI-6788	_____ -	<u>18,140</u>
<b>Subtotal 14.228</b>			_____ -	<u>261,563</u>
Housing Opportunities for Persons with AIDS	14.241	13-20428	_____ -	<u>26,328</u>
<b>Total U.S. Department of Housing and Urban Development</b>			_____ -	<u>287,891</u>
<b>U.S. Department of the Interior</b>				
Direct Program: Payments in Lieu of Taxes	15.226	-	_____ -	<u>428,370</u>
<b>Total U.S. Department of the Interior</b>			_____ -	<u>428,370</u>
<b>U.S. Department of Justice</b>				
Direct Program: Drug Court Discretionary Grant Program	16.585	-	-	33,802
Drug Court Discretionary Grant Program	16.585	-	_____ -	<u>17,545</u>
<b>Subtotal 16.585</b>			_____ -	<u>51,347</u>
State Criminal Alien Assistance Program	16.606	-	-	2,985

See accompanying Notes to Schedule of Expenditures of Federal Awards

**COUNTY OF PLUMAS**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2016**

<b>Federal Program/Pass Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-through Entity Identifying Number</b>	<b>Passed Through to Subrecipients</b>	<b>Total Federal Expenditures</b>
<b>U.S. Department of Justice (Continued)</b>				
Board of State and Community Corrections:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	BSCC 600-14	\$ -	\$ 111,496
Edward Byrne Memorial Justice Assistance Grant Program	16.738	BSCC 600-15	_____ -	103,019
<b>Subtotal 16.738</b>			_____ -	214,515
State Emergency Management Agency:				
Crime Victim Assistance	16.575	VW 1523 0320	_____ -	53,233
<b>Total U.S. Department of Justice</b>			_____ -	322,080
<b>U.S. Department of Transportation</b>				
Federal Aviation Administration:				
Airport Improvement Program	20.106	AIP 3-06-0020-010	-	5,423
Airport Improvement Program	20.106	AIP 3-06-0040-016	-	5,423
Airport Improvement Program	20.106	AIP 3-06-0040-017	-	106,378
Airport Improvement Program	20.106	AIP 3-06-0191-012	-	6,300
Airport Improvement Program	20.106	AIP 3-06-0191-013	_____ -	92,569
<b>Subtotal 20.106</b>			_____ -	216,093
State Department of Transportation:				
Highway Planning and Construction	20.205	BRLO-5909(029)	-	4,720
Highway Planning and Construction	20.205	BRLO-5909(079)	-	75,368
Highway Planning and Construction	20.205	BRLO-5909(080)	-	51,167
Highway Planning and Construction	20.205	BRLO-5909(081)	-	1,202,835
Highway Planning and Construction	20.205	BRLO-5909(082)	-	53,919
Highway Planning and Construction	20.205	BRLO-5909(083)	-	54,697
Highway Planning and Construction	20.205	BRLO-5909(092)	-	1,922
Highway Planning and Construction	20.205	BRLO-5909(093)	-	1,640
Highway Planning and Construction	20.205	BRLO-5909(094)	-	1,744
Highway Planning and Construction	20.205	BRLO-5909(095)	-	3,633
Highway Planning and Construction	20.205	BRLO-5909(096)	-	1,898
Highway Planning and Construction	20.205	BRLO-5909(100)	-	2,727
Highway Planning and Construction	20.205	HRRRL-5909(084)	-	464,267
Highway Planning and Construction	20.205	RPSTPL-5909(106)	_____ -	700,148
Subtotal 20.205			_____ -	2,620,685
<b>Total U.S. Department of Transportation</b>			_____ -	2,836,778
<b>U.S. Department of Health and Human Services</b>				
Direct Program:				
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	-	-	263,620

See accompanying Notes to Schedule of Expenditures of Federal Awards

**COUNTY OF PLUMAS**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2016**

<b>Federal Program/Pass Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-through Entity Identifying Number</b>	<b>Passed Through to Subrecipients</b>	<b>Total Federal Expenditures</b>
<b>U.S. Department of Health and Human Services (Continued)</b>				
State Department of Social Services:				
Guardianship Assistance	93.090	93-Unknown	\$ -	\$ 41,825
Promoting Safe and Stable Families	93.556	93-Unknown	-	10,248
Temporary Assistance for Needy Families	93.558	93-Unknown	-	697,404
Stephanie Tubbs Jones Child Welfare Services Program	93.645	93-Unknown	-	24,160
Foster Care - Title IV-E	93.658	93-Unknown	-	1,067,621
Adoption Assistance	93.659	93-Unknown	-	252,987
Social Services Block Grant	93.667	93-Unknown	-	54,586
Chafee Foster Care Independence Program	93.674	93-Unknown	-	20,144
State Department of Child Support Services:				
Child Support Enforcement	93.563	93-Unknown	-	431,938
State Department of Aging:				
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	IIIB-0412-16	-	30,000
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	IIIC-045-16	-	95,006
Nutrition Services Incentive Program	93.053	IIIC-045-16	_____	_____ 27,391
<b>Total Aging Cluster</b>			_____	_____ 152,397
State Department of Health Services:				
Childhood Lead Poisoning Prevention Projects - State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	14-10049	-	19,413
Children's Health Insurance Program	93.767	93-Unknown	-	8,516
Medical Assistance Program	93.778	93-Unknown	-	1,168,163
HIV Care Formula Grants	93.917	13-20065	-	177,118
Maternal and Child Health Services Block Grant to the States	93.994	93-Unknown	-	75,850
State Department of Emergency Services:				
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	14-10530	-	226,613
State Department of Mental Health:				
Block Grants for Community Mental Health Services	93.958	93-Unknown	-	112,794
State Department of Alcohol and Drug Abuse Programs:				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	10-NNA32	_____	_____ 454,388
<b>Total U.S. Department of Health &amp; Human Services</b>			_____	_____ 5,259,785

See accompanying Notes to Schedule of Expenditures of Federal Awards

**COUNTY OF PLUMAS**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2016**

<b>Federal Program/Pass Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-through Entity Identifying Number</b>	<b>Passed Through to Subrecipients</b>	<b>Total Federal Expenditures</b>
<b>Department of Homeland Security</b>				
State Emergency Management Agency:				
Emergency Management Performance Grants	97.042	2015-0049	\$ -	\$ 119,625
Homeland Security Grant Program	97.067	2014-0093	_____ -	_____ 74,398
<b>Total Department of Homeland Security</b>			_____ -	<u>194,023</u>
<b>Total</b>			<u>\$ -</u>	<u>\$ 11,623,586</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

**COUNTY OF PLUMAS**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2016**

**1. REPORTING ENTITY**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the County of Plumas. The County of Plumas reporting entity is defined in Note 1 to the County's basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the Schedule of Expenditures of Federal Awards. 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). Because the schedule presents only a selected portion of the operations of the County, it is not intended to, and does not, present the financial position, changes in net position or cash flows of the County.

**2. BASIS OF ACCOUNTING**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied. The accompanying Schedule of Expenditures of Federal Awards, is presented using the modified accrual basis of accounting for grants accounted for in the governmental fund types and the accrual basis of accounting for grants accounted for in the proprietary fund types, as described in the notes to the County financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursements.

**3. INDIRECT COST RATE**

The County has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**4. RELATIONSHIP TO FEDERAL FINANCIAL REPORTS**

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree or can be reconciled with amounts reported in the related federal financial assistance reports.

**5. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree or can be reconciled with amounts reported in the County's basic financial statements.

**6. PASS -THROUGH ENTITIES' IDENTIFYING NUMBER**

When federal awards were received from a pass-through entity, the Schedule of Expenditures of Federal Awards shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the County determined that no identifying number is assigned for the program or the County was unable to obtain an identifying number from the pass-through entity and the identifying number is shown as unknown.

**COUNTY OF PLUMAS**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2016**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

<b>Financial Statements</b>	<b>Status</b>
1. Type of auditor's report issued	Unmodified
2. Internal controls over financial reporting: <ul style="list-style-type: none"> <li>a. Material weaknesses identified?</li> <li>b. Significant deficiencies identified not considered to be material weaknesses?</li> </ul>	Yes Yes
3. Noncompliance material to financial statements noted?	No

**Federal Awards**

1. Internal control over major programs: <ul style="list-style-type: none"> <li>a. Material weaknesses identified?</li> <li>b. Significant deficiencies identified not considered to be material weaknesses?</li> </ul>	No No
2. Type of auditor's report issued on compliance for major programs:	Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	No
4. Identification of major programs: <ul style="list-style-type: none"> <li>15.226 Payments in Lieu of Taxes</li> <li>93.658 Foster Care - Title IV-E</li> <li>93.778 Medical Assistance Program</li> </ul>	
5. Dollar threshold used to distinguish between Type A and Type B programs?	\$750,000
6. Auditee qualified as a low-risk auditee under 2 CFR 200.520?	Yes

**SECTION II - FINANCIAL STATEMENT FINDINGS**

Prior Period Adjustments	2016-001
Year-End Closing Process	2016-002
Plumas County Transit Activity	2016-003

**SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None

**COUNTY OF PLUMAS**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2016**

**2016-001 Prior Period Adjustments (Material Weakness)**

**Condition**

The County recorded prior period adjustments to correct a prior year overstatement of capital assets and to correct the classification of one fund.

**Cause**

Each year the County adds non-depreciable assets to the capital assets listing for construction in progress that has not been completed. When the project is completed, the County adds a depreciable asset for the total cost and removes the associated construction in progress components. During the current year, the County determined that prior year construction in progress components had not been removed when assets were completed and the full cost of the assets were placed in service.

In addition, the County analyzed one fund and determined that it would be more appropriately classified as a trust fund.

**Criteria**

Good internal control over capital assets requires that an accurate, current detail listing of capital assets be maintained. In addition, when funds are created they should be appropriately classified by fund type.

**Effect of Condition**

Capital assets were overstated and required adjustment and one trust fund was not correctly classified.

**Recommendation**

We recommend that the County review the capital assets schedule at least annually and ensure that all capital assets are correctly stated. We further recommend that the County properly classify all funds by fund type.

**2016-002 Year-End Closing Process (Significant Deficiency)**

**Condition**

At the time of our audit we noted the financial statements presented to us for audit contained misstatements that required adjustment. Many of these adjustments were noted as a part of the audit process. This is a repeat of a prior year finding.

**Cause**

The process to close the County's accounting records and produce the annual financial report is labor intensive and the reports produced by the accounting system can require additional analysis and reconciliation.

**COUNTY OF PLUMAS**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2016**

**2016-002 Year-End Closing Process (Significant Deficiency) (Continued)**

**Criteria**

Government auditing standards require independent auditors to evaluate all unadjusted misstatements of financial statements. Also producing timely audited financial statements is more difficult when adjustments are not recorded prior to the start of the annual audit.

**Effect of Condition**

The financial statements as presented to us for audit contained misstatements and required adjustment.

**Recommendation**

We recommend that the County strive to record all adjustments in a timely manner so that required adjustments can be recorded prior to the start of the annual audit.

**2016-003 Plumas County Transit Activity (Significant Deficiency)**

**Condition**

During our audit we noted that current year activity, receipt of LTF, STA and other monies from the Local Transportation Commission and the expenditure of funds for payments to the transit provider, had not been recorded in the Plumas County Transit fund. This is a repeat of a prior year finding.

**Cause**

The Plumas County Transportation Commission issued checks directly to the transit provider.

**Criteria**

Generally accepted accounting principles require the activity be properly recorded in each fund.

**Effect of Condition**

Revenues and expenses were misstated and required adjustment.

**Recommendation**

We recommend that the Plumas County Transit Fund properly record the receipt of monies from the Local Transportation Commission and record payments to the transit provider.

**COUNTY OF PLUMAS**  
**Schedule of Prior Year Findings and Questioned Costs**  
**For the Year Ended June 30, 2016**

<u>Audit Reference</u>	<u>Status of Prior Year Audit Recommendations</u>
<b>2015-001</b>	<b>Year-End Closing Process</b>
	<b>Recommendation</b>
	We recommend that the County strive to record all adjustments in a timely manner so that required adjustments can be recorded prior to the start of the annual audit.
	<b>Status</b>
	Not Implemented
<b>2015-002</b>	<b>Accounts Receivable</b>
	<b>Recommendation</b>
	We recommend that the County continue to improve its internal control system and its policies and procedures in reviewing detail general ledger accounts for accuracy.
	<b>Status</b>
	Implemented
<b>2015-003</b>	<b>Plumas County Transit Activity</b>
	<b>Recommendation</b>
	We recommend that the Plumas County Transit Fund properly record the receipt of monies from the Local Transportation Commission and record payments to the transit provider.
	<b>Status</b>
	Not Implemented

**COUNTY OF PLUMAS**  
**Management's Corrective Action Plan**  
**For the Year Ended June 30, 2016**

**2016-001 Prior Period Adjustments (Material Weakness)**

We recommend that the County review the capital assets schedule at least annually and ensure that all capital assets are correctly stated. We further recommend that the County properly classify all funds by fund type.

Responsible Individual: Auditor/Controller - Roberta Allen

Corrective Action Plan: One of the prior period adjustments was made to correct errors from fiscal years 2009/10 and 2010/11. In those years there were duplicate assets added to the Fixed Asset Depreciation Module for assets that had been under construction for several years. One asset from 2009/10 and five assets from 2010/11 were completed and added for depreciation in 2009/10 and 2010/11 respectively.

For assets that are constructed over a number of years, each year's cost is added to the Fixed Asset Module using a temporary asset number. Upon completion of the asset, the completed cost of the asset is added to the Fixed Asset Module and depreciation begins on the completed asset. The temporary assets (the annual construction in progress) are deleted from the system. Apparently, the temporary assets (annual construction in progress) were not deleted in 2009/10 and 2010/11. The current Auditor was not in office at the time these errors were made. Current procedures are designed to prevent such errors from occurring.

The second prior period adjustment was made to reclassify funds to a trust account when it was discovered that the fund did not include any funds that belonged to the County and a trust fund was the appropriate fund type. The money was previously in a fund that was separately stated from other County funds.

Anticipated Completion Date: Completed for fiscal year ended June 30, 2016

**2016-002 Year-End Closing Process (Significant Deficiency)**

We recommend that the County strive to record all adjustments in a timely manner so that required adjustments can be recorded prior to the start of the annual audit.

Responsible Individual: Auditor/Controller - Roberta Allen

Corrective Action Plan: Each year the Auditor/Controller strives to complete the year-end procedures in a timely manner. The staff in the Auditor's Department is continuing to train on year-end procedures and several procedures are being updated to be more efficient. The Auditor's Department will continue to strive to improve the year-end closing process.

Anticipated Completion Date: Ongoing

**COUNTY OF PLUMAS**  
**Management's Corrective Action Plan**  
**For the Year Ended June 30, 2016**

**2016-003 Plumas County Transit Activity (Significant Deficiency)**

We recommend that the Plumas County Transit Fund properly record the receipt of monies from the Local Transportation Commission and record payments to the transit provider.

Responsible Individual: Auditor/Controller - Roberta Allen

Corrective Action Plan: The Auditor/Controller will take steps to ensure that Plumas County Transit properly records the receipt of monies from the Local Transportation Commission and records payments to the transit provider.

Anticipated Completion Date: June 30, 2017

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## **SUPPLEMENTAL SCHEDULES**

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**COUNTY OF PLUMAS**  
**Supplemental Schedule**  
**California Department of Aging (CDA)**  
**For the Year Ended June 30, 2016**

The terms and conditions of contracts with CDA require agencies to display state-funded expenditures discretely along with the related federal expenditures. The following schedule is presented to comply with these requirements.

<u>CFDA</u>	<u>Federal</u>	<u>State</u>
	<u>Expenditures</u>	<u>Expenditures</u>
93.044	\$ 30,000	\$ -
93.045	95,006	44,064
93.053	<u>27,391</u>	<u>-</u>
Total	<u><u>\$ 152,397</u></u>	<u><u>\$ 44,064</u></u>

A reconciliation of accrual basis expenditures as reported on the Financial Closeout Report to cash basis expenditures confirmed as of June 30, 2016 follows:

	Program	Federal CFDA Number	Total Expenditures	Accrual Adjustments	Confirmed Amount
IIIB	Transportation	93.044	\$ 30,000	\$ -	\$ 30,000
IIIC-1	Congregate	93.045	55,078	-	550783
IIIC-1	Congregate Nutrition Services Incentive Program	93.053	16,678	-	16,678
IIIC-2	Home Delivered Meals	93.045	35,071	3,491	38,562
IIIC-2	Home Delivered Meals One Time Only	93.045	4,857	( 3,491)	1,366
IIIC-2	Home Delivered Meals Nutrition Services Incentive	93.053	10,249	-	10,249
IIIC-2	Home Delivered Meals Nutrition Services Incentive One Time Only	93.053	<u>464</u>	<u>-</u>	<u>464</u>
	Total Expenditures of CDA Federal Awards		<u><u>\$ 152,397</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 152,391</u></u>

**COUNTY OF PLUMAS**  
**Supplemental Schedule**  
**California Emergency Management Agency**  
**For the Year Ended June 30, 2016**

The following schedule represents expenditures for U.S. Department of Justice grants passed through the State of California, Emergency Management Agency (CalEMA), as well as CalEMA funded grant expenditures for the year ended June 30, 2016. This information is included in the County's single audit report at the request of CalEMA.

Program	Expenditures Claimed			Share of Expenditures		
	For the Period		Cumulative As of June 30, 2016	Current Year		
	Through June 30, 2015	Through June 30, 2016		Federal Share	State Share	County Share
<b><u>VW15230320 - Violence Against Women</u></b>						
Personal services	\$ -	\$ 90,968	\$ 90,968	\$ 40,628	\$ 50,340	\$ -
Operating expenses	-	26,255	26,255	12,605	13,650	-
Equipment	-	-	-	-	-	-
<b>Totals</b>	<b>\$ -</b>	<b>\$ 117,223</b>	<b>\$ 117,223</b>	<b>\$ 53,233</b>	<b>\$ 63,990</b>	<b>\$ -</b>