

# DOUGLAS COUNTY, OREGON

## FEDERAL SINGLE AUDIT ACT AUDIT IN ACCORDANCE WITH OMB CIRCULAR A-133

Year Ended June 30, 2010

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH  
MAJOR PROGRAM AND ON THE INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133

January 21, 2011

Board of Commissioners  
Douglas County, Oregon  
Roseburg, Oregon

Compliance

We have audited Douglas County, Oregon's 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 Douglas County, Oregon's major federal programs for the year ended June 30, 2010. Douglas County, Oregon's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Douglas County, Oregon's management. Our responsibility is to express an opinion on Douglas County, Oregon's compliance based on our audit.

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. 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 Douglas County, Oregon'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. Our audit does not provide a legal determination of Douglas County, Oregon's compliance with those requirements.

In our opinion, Douglas County, Oregon complied, in all material respects, with the 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, 2010.

## Internal Control Over Compliance

Management of Douglas County, Oregon is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Douglas County, Oregon's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance 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 Douglas County, Oregon'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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

## Schedule of Expenditures of Federal Awards

We have audited the financial statements of Douglas County, Oregon as of and for the year ended June 30, 2010, and have issued our report thereon dated December 15, 2010. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Commissioners, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

  
Kenneth Kuhns & Co.

DOUGLAS COUNTY, OREGON  
Schedule of Expenditures of Federal Awards  
for the year ended June 30, 2010

Grantor and Program Title	CFDA Number	Revised Accrued or (Deferred) Revenue at July 1, 2009	Receipts	Disbursements/ Expenditures	Accrued or (Deferred) Revenue at June 30, 2010
<b><u>U.S. Department of Agriculture</u></b>					
Direct Programs:					
Collaborative Forest Restoration	10.679	\$ 3,589	\$ 10,949	\$ 10,264	\$ 2,904
Passed through Oregon Department of Education:					
School Breakfast Program	10.553	-	13,581	16,321	2,740
ARRA-National School Lunch Program	10.555	-	28,612	33,944	5,332
Child Nutrition Discretionary Grants	10.579	-	11,421	11,421	-
Passed through Oregon Department of Human Services:					
Health Division:					
Supplemental Food Program for Women, Infants, & Children	10.557	41,656	518,073	522,720	46,303
Passed through Oregon Executive Department:					
Secure Rural Schools and Community Self-Determination Act:	10.665				
Title I - Secure Payments		-	15,606,807	15,606,807	-
Title II - Special Projects		-	1,468,472	1,468,472	-
Title III - County Projects		(2,833,826)	1,285,273	756,489	(3,362,610)
<b>Total U.S. Department of Agriculture</b>		<b>(2,788,581)</b>	<b>18,943,188</b>	<b>18,426,438</b>	<b>(3,305,331)</b>
<b><u>U.S. Department of Commerce-NOAA</u></b>					
Passed through Oregon Department of Land Conservation and Development:					
Coastal Zone Management Administration Awards	11.419	5,000	12,420	14,839	7,419
Passed through Oregon Military Department:					
Public Safety Interoperable Communications	11.555	-	15,901	28,255	12,354
<b>Total U.S. Department of Commerce</b>		<b>5,000</b>	<b>28,321</b>	<b>43,094</b>	<b>19,773</b>
<b><u>U.S. Department of Housing and Urban Development</u></b>					
Passed through Business Oregon:					
Community Development Block Grants, State's Program	14.228	850,510	896,505	45,995	-
<b>Total U.S. Department of Housing and Urban Development</b>		<b>850,510</b>	<b>896,505</b>	<b>45,995</b>	<b>-</b>
<b><u>U.S. Department of the Interior</u></b>					
Direct Programs:					
Secure Rural Schools and Community Self-Determination Act:					
Title I - Secure Payments	15.unknown	-	20,129,138	20,129,138	-
Title II - Special Projects		-	1,894,507	1,894,507	-
Title III - County Projects		(3,653,428)	1,657,693	974,162	(4,336,959)
Invasive and Noxious Plant Management	15.230	-	37,050	61,851	24,801
ARRA - Fish, Wildlife and Plant Conservation Resource Mgmt	15.231	-	47,782	104,892	57,110
Secure Rural Schools and Community Self-Determination	15.234	11,980	31,720	24,240	4,500
Passed through Oregon State Marine Board:					
Clean Vessel Act-US Fish and Wildlife	15.616	-	525	525	-
Passed through Oregon Parks and Recreation Department:					
Historic Preservation Fund Grants-in-Aid	15.904	4,965	11,375	6,410	-
<b>Total U.S. Department of the Interior</b>		<b>(3,636,483)</b>	<b>23,809,790</b>	<b>23,195,725</b>	<b>(4,250,548)</b>
<b><u>U.S. Department of Justice</u></b>					
Direct Programs:					
State Criminal Alien Assistance Program	16.606	15,700	20,837	20,837	15,700
Public Safety Partnership & Community Policing Grants (COPS)	16.710	86,670	135,014	81,716	33,372
Edward Byrne Memorial Justice Assistance Grant Program	16.738	-	-	11,605	11,605
ARRA-Edward Byrne Memorial Justice Assistance Grant	16.804	-	19,872	19,872	-
ARRA-Assistance to Rural Law Enforcement	16.810	-	313,587	556,131	242,544

DOUGLAS COUNTY, OREGON  
Schedule of Expenditures of Federal Awards  
for the year ended June 30, 2010

Grantor and Program Title	CFDA Number	Revised Accrued or (Deferred) Revenue at July 1, 2009	Receipts	Disbursements/ Expenditures	Accrued or (Deferred) Revenue at June 30, 2010
Passed through Oregon Commission on Children & Families:					
Juvenile Accountability Incentive Block Grant	16.523	\$ 5,000	\$ 12,500	\$ 10,000	\$ 2,500
Passed through Oregon Department of Justice:					
Crime Victim Assistance-VOCA Grant	16.575	17,231	43,971	70,048	43,308
Edward Byrne Memorial State & Local - Discretionary Grants	16.580	(70,000)	-	70,000	-
HIDTA Grant	16.595	46,596	94,785	66,076	17,887
Passed through Oregon State Police:					
2009 HIDTA Training Initiative	16.595	-	3,704	3,704	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	13,478	13,478	-	-
Passed through Oregon Criminal Justice Commission:					
Edward Byrne Memorial Justice Assistance Grant Program	16.738	-	40,707	54,263	13,556
<b>Total U.S. Department of Justice</b>		<b>114,675</b>	<b>698,455</b>	<b>964,252</b>	<b>380,472</b>
<b><u>U.S. Department of Transportation</u></b>					
Passed through Oregon State Sheriff's Association:					
State and Community Highway Safety	20.600	3,080	4,579	1,499	-
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	962	5,967	7,480	2,475
Occupant Protection Incentive Grants	20.602	-	2,118	2,393	275
Passed through Oregon Department of Transportation:					
Formula Grants for Other than Urbanized Areas	20.509	250,420	424,356	321,839	147,903
ARRA-Formula Grants for Other than Urbanized Areas	20.509	-	538,048	658,287	120,239
Capital Assist Program for Elderly Persons & Persons with Disabilities	20.513	9,063	26,730	79,376	61,709
State and Community Highway Safety	20.600	-	-	8,437	8,437
<b>Total U.S. Department of Transportation</b>		<b>263,525</b>	<b>1,001,798</b>	<b>1,079,311</b>	<b>341,038</b>
<b><u>U.S. General Services Administration</u></b>					
Passed through Oregon Department of Administrative Services:					
Disposal of Federal Surplus Real Property	39.002	-	572	572	-
Donation of Federal Surplus Personal Property	39.003	-	606	606	-
<b>Total U.S. General Services Administration</b>		<b>-</b>	<b>1,178</b>	<b>1,178</b>	<b>-</b>
<b><u>U.S. Environmental Protection Agency</u></b>					
Passed through Oregon Department of Human Services:					
Health Services Division:					
State Public Water System Supervision	66.432	4,679	19,791	15,112	-
Capitalization Grants for Drinking Water State Revolving Funds	66.468	-	13,530	13,530	-
<b>Total U.S. Environmental Protection Agency</b>		<b>4,679</b>	<b>33,321</b>	<b>28,642</b>	<b>-</b>
<b><u>U.S. Department of Energy</u></b>					
Direct Programs:					
ARRA-Energy Efficiency and Conservation Block Grant Program	81.128	-	-	2,931	2,931
Passed through Oregon Department of Energy:					
ARRA-State Energy Program	81.041	-	-	28,272	28,272
<b>Total U.S. Department of Energy</b>		<b>-</b>	<b>-</b>	<b>31,203</b>	<b>31,203</b>
<b><u>U.S. Election Assistance Commission</u></b>					
Passed through Oregon Secretary of State					
Help America Vote Act Requirements Payments	90.401	-	2,247	2,247	-
<b>Total U.S. Election Assistance Commission</b>		<b>-</b>	<b>2,247</b>	<b>2,247</b>	<b>-</b>

DOUGLAS COUNTY, OREGON  
Schedule of Expenditures of Federal Awards  
for the year ended June 30, 2010

Grantor and Program Title	CFDA Number	Revised Accrued or (Deferred) Revenue at July 1, 2009	Receipts	Disbursements/ Expenditures	Accrued or (Deferred) Revenue at June 30, 2010
<b><u>U.S. Department of Health and Human Resources</u></b>					
Passed through Oregon Department Human Services:					
Senior and Disabled Services Division:					
Special Programs for Aging:					
Older American Act - Title VIIB	93.041	\$ -	\$ 2,332	\$ 2,332	\$ -
Older American Act - Title IIID	93.043	-	9,143	9,143	-
Older American Act - Title IIIB	93.044	24,900	151,732	166,107	39,275
Older American Act - Title IIIC1	93.045	5,943	148,343	148,120	5,720
Older American Act - Title IIIC2	93.045	7,555	142,514	155,191	20,232
National Family Caregiver Support	93.052	19,691	89,883	71,687	1,495
Nutrition Services Incentive Program	93.053	-	61,641	61,641	-
ARRA-Aging Home-Delivered Nutrition Services for States	93.705	-	8,940	8,940	-
ARRA-Aging Congregate Nutrition Services for States	93.707	-	18,159	18,159	-
Health Services Division:					
Public Health Emergency Preparedness	93.069	20,769	216,123	214,513	19,159
Project Grants & Cooperative Agreements for Tuberculosis					
Control Programs	93.116	-	323	323	-
Family Planning Services	93.217	5,684	59,887	57,917	3,714
Abstinence Education Program	93.235	4,391	4,391	-	-
Immunization Grants - Childhood Immunization Action Plan	93.268	-	1,200	1,200	-
ARRA-Immunization	93.712	-	8,575	8,714	139
Medical Assistance Program - Immunization	93.778	1,181	13,212	13,298	1,267
National Bioterrorism Hospital Preparedness Program	93.889	13,313	118,062	147,749	43,000
HIV Care Formula Grants	93.917	8,202	76,291	70,923	2,834
HIV Prevention Activities	93.940	1,841	50,762	51,475	2,554
Preventive Health & Health Services Block Grant	93.991	-	3,500	3,500	-
MCH Services Block Grant to States	93.994	4,733	82,983	84,682	6,432
Mental and Developmental Disability Services Division:					
Block Grants for Community Mental Health Services	93.958	-	123,433	123,433	-
Title XX Social Services Block Grant	93.667	-	18,567	18,567	-
Passed through Oregon Commission on Children and Families:					
Promoting Safe & Stable Families	93.556	47,732	47,732	18,754	18,754
Child Care and Development Block Grant	93.575	34,989	34,989	-	-
Social Services Block Grant-Title XX-Youth Investment	93.667	160,695	243,489	185,740	102,946
Medical Assistance Program - Healthy Start	93.778	11,385	23,786	22,778	10,377
Passed through Oregon Association of Hospitals & Health Systems					
National Bioterrorism Hospital Preparedness Program	93.889	4,993	5,523	530	-
Passed through Oregon Health Sciences University-Child Development and Rehabilitation Center:					
MCH Services Block Grant to States	93.994	5,713	21,479	21,022	5,256
Passed through Health Care Coalition of Southern Oregon					
Healthy Start Eliminating Disparities Grant	93.926	(8,368)	80,170	90,081	1,543
Passed through Oregon Secretary of State					
Voting Access for Individuals with Disabilities - Grants to States	93.617	-	4,448	4,448	-
Passed through Oregon Department of Consumer and Business Services					
Centers for Medicare and Medicaid Services Research Demonstration and Evaluations (Oregon SHIBA Program)	93.779	-	12,882	12,882	-
<b>Total U.S. Department of Health and Human Services</b>		<b>375,342</b>	<b>1,884,494</b>	<b>1,793,849</b>	<b>284,697</b>
<b><u>Corporation for National and Community Service</u></b>					
Direct Programs:					
Retired and Senior Volunteer Program	94.002	-	30,843	44,823	13,980
Foster Grandparent Program	94.011	(5,449)	64,643	100,681	30,589
Senior Companion Program	94.016	(1,706)	67,537	96,290	27,047
<b>Total Corporation for National and Community Service</b>		<b>(7,155)</b>	<b>163,023</b>	<b>241,794</b>	<b>71,616</b>

DOUGLAS COUNTY, OREGON  
Schedule of Expenditures of Federal Awards  
for the year ended June 30, 2010

<u>Grantor and Program Title</u>	<u>CFDA Number</u>	<u>Revised Accrued or (Deferred) Revenue at July 1, 2009</u>	<u>Receipts</u>	<u>Disbursements/ Expenditures</u>	<u>Accrued or (Deferred) Revenue at June 30, 2010</u>
<b><u>U.S. Department of Homeland Security</u></b>					
Passed through University of Oregon Pre Disaster Mitigation	97.017	\$ -	\$ 3,083	\$ 3,083	\$ -
Passed through Oregon State Marine Board Boating Safety Financial Assistance	97.012	-	-	205,633	205,633
Passed through Water Resources Department National Dam Safety Program	97.041	-	5,000	5,000	-
Passed through Oregon Office of Homeland Security: Oregon Emergency Management:					
Emergency Management Performance Grants	97.042	20,433	52,292	69,951	38,092
Citizen Corps Program	97.053	1,904	1,904	-	-
State Homeland Security Program	97.073	21,899	28,075	185,712	179,536
State Homeland Security Program	97.074	(6,780)	-	15,014	8,234
<b>Total U.S. Department of Homeland Security</b>		<b>37,456</b>	<b>90,354</b>	<b>484,393</b>	<b>431,495</b>
<b>Total Federal Assistance</b>		<b>\$ (4,781,032)</b>	<b>\$ 47,552,674</b>	<b>\$ 46,338,121</b>	<b>\$ (5,995,585)</b>



DOUGLAS COUNTY, OREGON

Notes to Schedule of Expenditures of Federal Awards  
For the year ended June 30, 2010

1. **Purpose of the Schedule:**

The accompanying schedule of expenditures of federal awards (the Schedule) is a supplementary schedule to Douglas County, Oregon's (the County) financial statements and is presented for purposes of additional analysis. Because the Schedule presents only a selected portion of the activities of the County, it is not intended to and does not present either the financial position or changes in net assets of the County.

2. **Significant Accounting Policies:**

**Reporting Entity:** The reporting entity is fully described in Note 1 to the County's financial statements. The Schedule includes all federal financial assistance programs administered by the County for the year ended June 30, 2010.

**Basis of Presentation:** The information in the Schedule is presented in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

**Federal Financial Assistance:** Pursuant to OMB Circular A-133, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance or direct appropriations. Accordingly, nonmonetary federal assistance, including federal surplus property, is included in federal financial assistance and, therefore, is reported on the Schedule, if applicable. Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the state and federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

**Major Program:** OMB Circular A-133 establishes a dollar limit and risk base criteria for selecting major federal programs. Using this criteria, the County has two Type A programs, of which one of the programs was selected for testing as a major program, the remainder being Type B programs, one of which was selected for testing as a major program.

**Basis of Accounting:** The expenditures in the Schedule are recognized as incurred based on the accrual basis of accounting and the cost accounting principles contained in OMB Circular A-87, *Cost Principles for State and Local Governments*. Under those cost principles, certain types of expenditures are not allowable or are limited as to reimbursement.

**Matching Costs:** The Schedule does not include matching expenditures.

DOUGLAS COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2010

A - SUMMARY OF AUDIT RESULTS:

1. The independent auditor's report expresses an unqualified opinion on the financial statements of Douglas County, Oregon.
2. There were no significant deficiencies in internal control over financial reporting reported during the audit of the financial statements of Douglas County, Oregon.
3. No instances of noncompliance material to the financial statements of Douglas County, Oregon were disclosed during the audit.
4. There were no significant deficiencies in internal control over compliance reported during the audit of the major federal award programs of Douglas County, Oregon.
5. The independent auditor's report on compliance for the major federal award programs of Douglas County, Oregon expresses an unqualified opinion.
6. No audit findings relative to the major federal award programs of Douglas County, Oregon are reported in this schedule.
7. The programs tested as major programs included the following programs:

<u>Program Name</u>	<u>CFDA Number</u>
U.S. Department of the Interior, Secure Rural Schools and Community Self-Determination Act of 2000	15.unknown
ARRA – Assistance to Rural Law Enforcement	16.810

8. The threshold for distinguishing Type A programs from Type B programs was \$1,390,000.
9. Douglas County, Oregon was determined to be a low-risk auditee.

B - FINDINGS, FINANCIAL STATEMENTS AUDIT:

None.

C - FINDINGS AND QUESTIONED COSTS, MAJOR FEDERAL AWARD PROGRAMS AUDIT:

None.