

# DOUGLAS COUNTY, OREGON

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

Year Ended June 30, 2011

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## TABLE OF CONTENTS

	<u>Page</u>
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	1 to 2
Schedule of Expenditures of Federal Awards	3 to 6
Notes to Schedule of Expenditures of Federal Awards	7
Schedule of Findings and Questioned Costs	8

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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

December 12, 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, 2011. 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, *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 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, 2011.

## 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, 2011, and have issued our report thereon dated December 12, 2011. 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.*

Kenneth Kuhns & Co.

DOUGLAS COUNTY, OREGON  
Schedule of Expenditures of Federal Awards  
for the year ended June 30, 2011

<u>Grantor and Program Title</u>	<u>CFDA Number</u>	<u>Accrued or (Deferred) Revenue at July 1, 2010</u>	<u>Receipts</u>	<u>Disbursements/ Expenditures</u>	<u>Accrued or (Deferred) Revenue at June 30, 2011</u>
<b><u>U.S. Department of Agriculture</u></b>					
Direct Programs:					
Collaborative Forest Restoration	10.679	\$ 2,904	\$ 11,644	\$ 11,500	\$ 2,760
Passed through Oregon Department of Education:					
School Breakfast Program	10.553	2,740	15,349	14,754	2,145
ARRA-National School Lunch Program (Commodity Distribution)	10.555	-	3,159	3,159	-
ARRA-National School Lunch Program	10.555	5,332	28,589	27,196	3,939
Passed through Oregon Department of Human Services:					
Health Division:					
Supplemental Food Program for Women, Infants, & Children	10.557	46,303	540,542	526,901	32,662
WIC Grants To States	10.578	-	1,581	1,581	-
Passed through Oregon Executive Department:					
Secure Rural Schools and Community Self-Determination Act:	10.665				
Title I - Secure Payments		-	14,063,453	14,063,453	-
Title II - Special Projects		-	1,323,438	1,323,438	-
Title III - County Projects		(3,362,610)	1,158,167	720,308	(3,800,469)
<b>Total U.S. Department of Agriculture</b>		<b>(3,305,331)</b>	<b>17,145,922</b>	<b>16,692,290</b>	<b>(3,758,963)</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	7,419	15,419	16,667	8,667
Passed through Oregon Military Department:					
Public Safety Interoperable Communications	11.555	12,354	38,205	25,851	-
<b>Total U.S. Department of Commerce</b>		<b>19,773</b>	<b>53,624</b>	<b>42,518</b>	<b>8,667</b>
<b><u>U.S. Department of Housing and Urban Development</u></b>					
Direct Programs:					
Economic Development Initiative Projects	14.251	-	253,388	253,388	-
<b>Total U.S. Department of Housing and Urban Development</b>		<b>-</b>	<b>253,388</b>	<b>253,388</b>	<b>-</b>
<b><u>U.S. Department of the Interior</u></b>					
Direct Programs:					
Secure Rural Schools and Community Self-Determination Act:	15.unknown				
Title I - Secure Payments		-	18,141,075	18,141,075	-
Title II - Special Projects		-	1,707,395	1,707,395	-
Title III - County Projects		(4,336,959)	1,493,971	928,537	(4,902,393)
Invasive and Noxious Plant Management	15.230	24,801	48,135	23,334	-
ARRA - Fish, Wildlife and Plant Conservation Resource Mgmt	15.231	57,110	57,110	63,866	63,866
Secure Rural Schools and Community Self-Determination	15.234	4,500	22,680	25,320	7,140
Passed through Oregon State Marine Board:					
Clean Vessel Act-US Fish and Wildlife	15.616	-	14,270	14,270	-
Passed through Oregon Parks and Recreation Department:					
Historic Preservation Fund Grants-in-Aid	15.904	-	8,000	8,000	-
<b>Total U.S. Department of the Interior</b>		<b>(4,250,548)</b>	<b>21,492,636</b>	<b>20,911,797</b>	<b>(4,831,387)</b>
<b><u>U.S. Department of Justice</u></b>					
Direct Programs:					
State Criminal Alien Assistance Program	16.606	15,700	11,487	3,787	8,000
Bulletproof Vest Partnership Program	16.607	-	3,704	3,704	-
Public Safety Partnership & Community Policing Grants (COPS)	16.710	33,372	33,372	-	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	11,605	-	-	11,605
Criminal, Juvenile and Mental Health Collaboration Program	16.745	-	30,830	46,915	16,085
ARRA-Assistance to Rural Law Enforcement	16.810	242,544	776,553	776,282	242,273

DOUGLAS COUNTY, OREGON  
Schedule of Expenditures of Federal Awards  
for the year ended June 30, 2011

Grantor and Program Title	CFDA Number	Accrued or (Deferred) Revenue at July 1, 2010	Receipts	Disbursements/ Expenditures	Accrued or (Deferred) Revenue at June 30, 2011
Passed through Oregon Commission on Children & Families: Juvenile Accountability Incentive Block Grant	16.523	\$ 2,500	\$ 10,000	\$ 10,000	\$ 2,500
Passed through Oregon Department of Justice: Crime Victim Assistance-VOCA Grant	16.575	43,308	74,174	40,054	9,188
Passed through Oregon State Police: 2009 HIDTA Training Initiative	16.595	-	410	410	-
Passed through Oregon Criminal Justice Commission: Edward Byrne Memorial Justice Assistance Grant Program	16.738	13,556	52,564	53,770	14,762
Passed through Southern Oregon Multi-Agency Marijuana Eradication and Reclamation: Edward Byrne Memorial State & Local - Discretionary Grants	16.580	-	48,000	48,000	-
<b>Total U.S. Department of Justice</b>		<b>362,585</b>	<b>1,041,094</b>	<b>982,922</b>	<b>304,413</b>
<b><u>U.S. Department of Transportation</u></b>					
Passed through Oregon State Sheriff's Association: Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	2,475	17,476	16,156	1,155
Occupant Protection Incentive Grants	20.602	275	2,145	3,795	1,925
Passed through Oregon Department of Transportation: Highway Planning and Construction Programs	20.205	-	186,638	186,638	-
Formula Grants for Other than Urbanized Areas	20.509	147,903	403,497	354,385	98,791
ARRA-Formula Grants for Other than Urbanized Areas	20.509	120,239	156,841	49,589	12,987
Capital Assist Program for Elderly Persons & Persons with Disabilities	20.513	61,709	306,128	265,587	21,168
State and Community Highway Safety	20.600	8,437	11,374	4,817	1,880
<b>Total U.S. Department of Transportation</b>		<b>341,038</b>	<b>1,084,099</b>	<b>880,967</b>	<b>137,906</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	-	1,364	1,364	-
<b>Total U.S. General Services Administration</b>		<b>-</b>	<b>1,364</b>	<b>1,364</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	-	16,936	16,936	-
Capitalization Grants for Drinking Water State Revolving Funds	66.468	-	4,200	4,200	-
<b>Total U.S. Environmental Protection Agency</b>		<b>-</b>	<b>21,136</b>	<b>21,136</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	57,427	200,445	145,949
Passed through Oregon Department of Energy: ARRA-State Energy Program	81.041	28,272	29,033	10,761	10,000
<b>Total U.S. Department of Energy</b>		<b>31,203</b>	<b>86,460</b>	<b>211,206</b>	<b>155,949</b>

DOUGLAS COUNTY, OREGON  
Schedule of Expenditures of Federal Awards  
for the year ended June 30, 2011

Grantor and Program Title	CFDA Number	Accrued or (Deferred) Revenue at July 1, 2010	Receipts	Disbursements/ Expenditures	Accrued or (Deferred) Revenue at June 30, 2011
<b><u>U.S. Department of Health and Human Services</u></b>					
Passed through Oregon Department Human Services:					
Senior and Disabled Services Division:					
Special Programs for Aging:					
Older American Act - Title VIIB	93.041	\$ -	\$ 419	\$ 1,802	\$ 1,383
Older American Act - Title IIIB	93.043	-	5,486	8,559	3,073
Older American Act - Title IIIB	93.044	39,275	161,757	159,077	36,595
Older American Act - Title III Part C Nutrition	93.045	-	3,570	3,570	-
Older American Act - Title IIIC1	93.045	5,720	145,289	167,593	28,024
Older American Act - Title IIIC2	93.045	20,232	186,078	195,375	29,529
National Family Caregiver Support	93.052	1,495	64,857	73,449	10,087
Nutrition Services Incentive Program	93.053	-	35,860	35,860	-
ARRA-Aging Home-Delivered Nutrition Services for States	93.705	-	9,305	9,305	-
ARRA-Aging Congregate Nutrition Services for States	93.707	-	18,901	20,763	1,862
Health Services Division:					
Public Health Emergency Preparedness	93.069	19,159	201,862	227,171	44,468
Project Grants & Cooperative Agreements for Tuberculosis					
Control Programs	93.116	-	2,158	2,305	147
Family Planning Services	93.217	3,714	48,761	47,521	2,474
Immunization Grants (Noncash assistance-vaccine)	93.268	-	389,666	389,666	-
Immunization Grants - Childhood Immunization Action Plan	93.268	-	900	900	-
ARRA-Immunization	93.712	139	3,649	3,510	-
Medical Assistance Program - Immunization	93.778	1,267	14,037	13,971	1,201
National Bioterrorism Hospital Preparedness Program	93.889	43,000	60,367	17,367	-
HIV Care Formula Grants	93.917	2,834	65,627	67,821	5,028
HIV Prevention Activities	93.940	2,554	22,509	22,609	2,654
Preventive Health & Health Services Block Grant	93.991	-	3,700	3,700	-
MCH Services Block Grant to States	93.994	6,432	47,056	54,630	14,006
Mental and Developmental Disability Services Division:					
Block Grants for Community Mental Health Services	93.958	-	134,909	134,909	-
Passed through Oregon Commission on Children and Families:					
Promoting Safe & Stable Families	93.556	18,754	40,328	29,694	8,120
Social Services Block Grant-Title XX-Youth Investment	93.667	102,946	270,038	278,900	111,808
Medical Assistance Program - Healthy Start	93.778	10,377	23,018	13,974	1,333
Passed through Oregon Health Sciences University-Child Development and Rehabilitation Center:					
MCH Services Block Grant to States	93.994	5,256	21,022	21,022	5,256
Passed through Health Care Coalition of Southern Oregon					
Healthy Start Eliminating Disparities Grant	93.926	1,543	99,516	97,973	-
Passed through Oregon Department of Consumer and Business Services					
Centers for Medicare and Medicaid Services Research					
Demonstration and Evaluations (Oregon SHIBA Program)	93.779	-	2,000	2,000	-
<b>Total U.S. Department of Health and Human Services</b>		<b>284,697</b>	<b>2,082,645</b>	<b>2,104,996</b>	<b>307,048</b>
<b><u>Corporation for National and Community Service</u></b>					
Direct Programs:					
Retired and Senior Volunteer Program	94.002	13,980	13,980	-	-
Foster Grandparent Program	94.011	30,589	30,589	-	-
Senior Companion Program	94.016	27,047	27,047	-	-
<b>Total Corporation for National and Community Service</b>		<b>71,616</b>	<b>71,616</b>	<b>-</b>	<b>-</b>
<b><u>U.S. Executive Office of the President</u></b>					
Passed through Oregon Department of Justice:					
HIDTA Grant (previously reported under CFDA 16.595)	95.001	17,887	17,887	-	-
HIDTA Grant	95.001	-	59,638	89,599	29,961
<b>Total U.S Executive Office of the President</b>		<b>17,887</b>	<b>77,525</b>	<b>89,599</b>	<b>29,961</b>

DOUGLAS COUNTY, OREGON  
Schedule of Expenditures of Federal Awards  
for the year ended June 30, 2011

<u>Grantor and Program Title</u>	<u>CFDA Number</u>	<u>Accrued or (Deferred) Revenue at July 1, 2010</u>	<u>Receipts</u>	<u>Disbursements/ Expenditures</u>	<u>Accrued or (Deferred) Revenue at June 30, 2011</u>
<b><u>U.S. Department of Homeland Security</u></b>					
Passed through Oregon State Marine Board					
Boating Safety Financial Assistance	97.012	\$ 205,633	\$ 309,781	\$ 104,148	\$ -
Passed through Oregon Office of Homeland Security:					
Oregon Emergency Management:					
Presidentially Declared Disaster Grants	97.036	-	105,406	105,406	-
Emergency Management Performance Grants	97.042	38,092	75,123	83,182	46,151
Citizen Corps Program	97.053	-	-	6,000	6,000
State Homeland Security Program	97.073	179,536	344,505	294,436	129,467
State Homeland Security Program	97.074	8,234	34,904	35,631	8,961
<b>Total U.S. Department of Homeland Security</b>		<b>431,495</b>	<b>869,719</b>	<b>628,803</b>	<b>190,579</b>
<b>Total Federal Assistance</b>		<b>\$ (5,995,585)</b>	<b>\$ 44,281,228</b>	<b>\$ 42,820,986</b>	<b>\$ (7,455,827)</b>



## DOUGLAS COUNTY, OREGON

### Notes to Schedule of Expenditures of Federal Awards For the year ended June 30, 2011

#### 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, 2011.

**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, none 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, 2011

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 Agriculture, Secure Rural Schools and Community Self-Determination Act of 2000	10.665

8. The threshold for distinguishing Type A programs from Type B programs was \$1,284,000.
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.