



COUNTY OF INYO
SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2015

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COUNTY OF INYO

Single Audit Report
For the Year Ended June 30, 2015

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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 Grand Jury
County of Inyo
Independence, 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Inyo (County), as of and for the year ended June 30, 2015, 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, 2016. Our audit includes a reference to other auditors who audited the financial statements of First 5 Inyo County, a discretely presented component unit, as described in our report on the County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

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 entity'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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*.

Board of Supervisors and Grand Jury
County of Inyo

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

A handwritten signature in cursive script that reads "Gallina LLP".

Roseville, California
March 29, 2016



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133**

Board of Supervisors and Grand Jury
County of Inyo
Independence, California

Report on Compliance for Each Major Federal Program

We have audited the County of Inyo's (County) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2015. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

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 OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended June 30, 2015, and have issued our report thereon dated March 29, 2016, which contained an unmodified opinion on those financial statements. We did not audit the financial statements of First 5 Inyo County, which is a discretely presented component unit of the County. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for First 5 Inyo County are based solely on the reports of the other auditors. Our audit was conducted for the purpose of forming an opinion on the financial statements 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 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 is fairly stated in all material respects in relation to the financial statements as a whole.

Board of Supervisors and Grand Jury
County of Inyo

Other Matters

The Schedule of the California Emergency Management Agency Grant Expenditures has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

A handwritten signature in cursive script that reads "Gallina" followed by a stylized monogram or initials.

Roseville, California
March 29, 2016

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COUNTY OF INYO

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Agriculture</u>			
Passed through California Dept. of Food & Agriculture: Pland and Animal Disease, Pest Control, and Care	10.025	13-0538	\$ 3,088
Passed through State Department of Social Services: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	--	377,115
SNAP Education	10.561	--	51,425
Subtotal CFDA Number 10.561			<u>428,540</u>
Passed through State Department of Health Care Services: Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	--	<u>272,607</u>
Total U.S. Department of Agriculture			<u>\$ 704,235</u>
<u>U.S. Department of Justice</u>			
Direct Programs: Domestic Cannabis Eradication/Suppression Program	16.000	2014-22	10,000
Passed through the Governor's Office of Emergency Services: Victim Witness Assistance Program	16.575	VW 14 23 0140	<u>50,427</u>
Total U.S. Department of Justice			<u>\$ 60,427</u>
<u>U.S. Department of Labor</u>			
Passed through Kern County: Workforce Investment Act - Adult Program	17.258	--	<u>12,974</u>
Total U.S. Department of Labor			<u>\$ 12,974</u>
<u>U.S. Department of Transportation</u>			
Direct Program:			
Airport Improvement Program	20.106	AIP -03-06-0024-014-2013	101,812
Airport Improvement Program	20.106	AIP -03-06-0024-015-2013	37,135
Airport Improvement Program	20.106	AIP -03-06-0024-016-2014	946,857
Airport Improvement Program	20.106	AIP -03-06-0126-010-2014	79,318
Airport Improvement Program	20.106	AIP -03-06-0126-009-2014	39,762
Subtotal CFDA 20.106			<u>1,204,884</u>
Passed through State Department of Transportation:			
Highway Planning and Construction	20.205	BRLO-5948-(074)	124,333
Highway Planning and Construction	20.205	BRLO-5948-(075)	8,733
Highway Planning and Construction	20.205	BRLO-5948-(076)	119,006
Highway Planning and Construction	20.205	RPSTPLE-5948(059)	34,561
Highway Planning and Construction	20.205	RPSTPLE-5948(077)	40,794
Highway Planning and Construction	20.205	RPSTPLE-5948(080)	73,302
Subtotal CFDA 20.205			<u>400,729</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

COUNTY OF INYO

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Transportation (continued)</u>			
Passed through State Department of Transportation: (continued)			
Public Transportation Emergency Relief Program	20.527		\$ 658,642
Total U.S. Department of Transportation			\$ 2,264,255
<u>U.S. Department of Energy</u>			
Direct Program:			
Yucca Mountain Oversight Grant	81.065	--	33,753
Total U.S. Department of Energy			\$ 33,753
<u>U.S. Department of Health and Human Services</u>			
Passed through State Department of Child Support Services:			
Child Support Enforcement	93.563	--	637,743
Passed through State Department of Social Services:			
Promoting Safe and Stable Families	93.556	--	5,303
Temporary Assistance for Needy Families	93.558	--	491,432
Community-Based Child Abuse Prevention Grants	93.590	--	23,772
Stephanie Tubbs Jones Child Welfare Services Program	93.645	--	25,687
Foster Care - Title IV-E	93.658	--	547,035
Adoption Assistance Program	93.659	--	16,445
Social Services Block Grant	93.667	--	54,213
Chafee Foster Care Independence Program	93.674	--	8,323
Subtotal Pass-Through			1,172,210
Passed through State Department of Aging:			
Title VII Elder Abuse Prevention	93.041	--	606
Title VII Ombudsmen	93.042	--	17,207
Title III - Part D - Prevention Services	93.043	--	1,050
Title III - Part B - Supportive Services	93.044	--	120,953
Title III - Part C - Nutrition Services	93.045	--	252,249
Title III - Part E - NFCSP	93.052	--	24,748
Nutrition Services Incentive Program	93.053	--	52,366
Subtotal Pass-Through			469,179
Passed through State Department of Public Health:			
Maternal and Child Health Federal Consolidated Programs	93.110	--	80,478
Immunization Grants	93.268	--	23,539
HIV/AIDS Surveillance	93.944	--	51,645
HIV/AIDS Surveillance	93.945	--	3,857
Public Health Emergency Preparedness	93.069	--	200,784
Subtotal Pass-Through			360,303

See accompanying Notes to Schedule of Expenditures of Federal Awards

COUNTY OF INYO

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
U.S. Department of Health and Human Services (continued)			
Passed through State Department of Health Care Services:			
Children's Health Insurance Program	93.767	--	\$ 20,016
Medical Assistance Program	93.778	--	635,818
Medical Administrative Services	93.778	--	87,364
Maternal and Child Health Services Block Grant to the States	93.994	--	<u>21,375</u>
Subtotal Pass-Through			<u>764,573</u>
Passed through the State Department of Mental Health:			
Block Grants for Community Mental Health Services	93.958	--	<u>157,449</u>
Passed through State Department of Alcohol and Drug Abuse			
Block Grants for Prevention and Treatment of Substance Abuse (SAPT)	93.959	--	<u>398,722</u>
Total U.S. Department of Health and Human Services			<u>\$ 3,960,179</u>
U.S. Department of Homeland Security			
Passed through Governor's Office of Homeland Security:			
State Homeland Security Program (SHSP)	97.067	FY 2013	36,120
State Homeland Security Program (SHSP)	97.067	FY 2014	<u>30,888</u>
Subtotal CFDA 97.067			<u>67,008</u>
Total U.S. Department of Homeland Security			<u>\$ 67,008</u>
Total Expenditures of Federal Awards			<u><u>\$ 7,102,831</u></u>

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COUNTY OF INYO

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

NOTE 1: REPORTING ENTITY

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the County of Inyo. The County of Inyo 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.

NOTE 2: BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is prepared on a modified accrual basis. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

NOTE 3: RELATIONSHIP TO FINANCIAL STATEMENTS

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree, in all material respects, to amounts reported within the County's financial statements. Federal award revenues are reported principally in the County's financial statements as intergovernmental revenues in the General and Special Revenue funds.

NOTE 4: 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.

NOTE 5: LOANS WITH CONTINUING COMPLIANCE REQUIREMENT

Outstanding federally-funded program loans, with a continuing compliance requirement, carried balances as of June 30, 2015 as follows:

Federal CFDA#	Program Title	Amount Outstanding		
		July 1, 2014	New Loans	June 30, 2015
14.239	HOME Investment Partnerships Program	\$ 780,000	\$ -	\$ 780,000

NOTE 6: PROGRAM CLUSTERS

Federal programs, which are considered together as a program cluster, include the following:

Federal CFDA	Program Title	Federal Expenditures
<u>Aging Cluster:</u>		
93.044	Title III - Part B - Supportive Services	\$ 120,953
93.045	Title III - Part C - Nutrition Services	252,249
93.053	Nutrition Services Incentive Program	52,366
	TOTAL	\$ 425,568

COUNTY OF INYO

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

NOTE 7: **TOTAL FEDERAL AWARDS EXPENDED BY CFDA NUMBER**

When there is more than one program under a single CFDA number, the Schedule of Expenditures of Federal Awards presents totals of all programs under the one CFDA number. Occasionally, however, the total could not be conveniently displayed because all programs under one CFDA were not contiguous. When this occurred, this total is not shown on the schedule, but instead provided here.

<u>CFDA Number</u>	<u>Amount</u>
93.778	\$723,182

COUNTY OF INYO

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2015

Section 1

Summary of Auditor's Results

Financial Statements

- | | |
|----------------------------------------------------------------------------------|---------------|
| 1. Type of auditor's report issued: | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None Reported |
| 3. Noncompliance material to financial statements noted? | No |

Federal Awards

- | | |
|-------------------------------------------------------------------------------------------------------------------------|---------------|
| 1. Internal controls over major program: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None Reported |
| 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 Circular OMB A-133, Section 510(a)? | No |
| 4. Identification of major programs: | |

CFDA Number

Name of Federal Program

- | | |
|-----------------------------------------------------------------------------------|-------------------------------------------|
| 10.561 | Supplemental Nutrition Assistance Program |
| 14.239 | HOME Investment Partnership Program |
| 20.106 | Airport Improvement Program |
| 93.558 | Temporary Assistance for Needy Families |
| 93.658 | Foster Care – Title IV-E |
| 93.778 | Medi-Cal Assistance Program |
| 5. Dollar threshold used to distinguish between Type A and Type B programs. | \$ 300,000 |
| 6. Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 530? | No |

COUNTY OF INYO

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2015

Section 2

Financial Statement Findings

None Reported

Section 3

Federal Awards Findings and Questioned Costs

None Reported

COUNTY OF INYO

**Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2015**

**Finding 2014-001
SEFA Preparation**

Recommendation

We recommend that the County review all expenditures reported on the SEFA for accuracy and completeness and compare what is reported to the general ledger. We further recommend that the County ensure that all departments have provided their federal expenditures, including loans, in-kind and other federal awards. We also recommend that the County have more than one person review the SEFA prior to submitting it for audit to help ensure that all grants and programs are reported accurately and timely.

Status

Test work performed during the audit did not indicate deficiencies in this area.

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**SUPPLEMENTARY SCHEDULE
OF
THE GOVERNOR'S OFFICE OF
EMERGENCY SERVICES**

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COUNTY OF INYO

Supplementary Schedule of the
 Governor's Office of Emergency Services
 Grants Expenditures
 For the Year Ended June 30, 2015

The following represents expenditures for the Governor's Office of Emergency Services (Cal OES) programs for the year ended June 30, 2015. The amount reported in the Schedule of Expenditures of Federal Awards is determined by calculating the federal portion of the current year expenditures.

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2014	For the Year Ended June 30, 2015	Cumulative As of June 30, 2015	Federal Share	State Share	County Share
Grant Name; Contract #:	Victim Witness Assistance Program - VW 14 23 0140					
Personal services	\$ 74,033	\$ 83,064	\$ 157,097	\$ 33,655	\$ 49,409	\$ --
Operating expenses	--	17,772	17,772	16,772	1,000	--
Totals	<u>\$ 74,033</u>	<u>\$ 100,836</u>	<u>\$ 174,869</u>	<u>\$ 50,427</u>	<u>\$ 50,409</u>	<u>\$ --</u>

